

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION
www.flsb.uscourts.gov

IN RE:

CASE NO. 16-17505-RBR

IRON BRIDGE TOOLS, INC.

CHAPTER 11

Debtor.

**DISCLOSURE STATEMENT IN SUPPORT OF
DEBTOR'S PLAN OF REORGANIZATION**

Submitted by:

/s Craig A. Pugatch

CRAIG A. PUGATCH, Florida Bar No.: 653381

CHAD P. PUGATCH, Florida Bar No.: 220582

Counsel for Debtor in Possession

RICE PUGATCH ROBINSON STORFER & COHEN, PLLC

101 NE 3rd Avenue

Fort Lauderdale, Florida 33301

Telephone: (954) 462-8000

Facsimile: (954) 462-4300

capugatch@rprslaw.com

cpugatch@rprslaw.com

TABLE OF CONTENTS

I.	<u>INTRODUCTION</u>	3
II.	<u>VOTING INSTRUCTIONS</u>	8
III.	<u>HISTORY OF DEBTOR</u>	9
V.	<u>SUMMARY OF PLAN</u>	11
VII.	<u>DISTRIBUTIONS ON OR AFTER THE EFFECTIVE DATE</u>	15
VIII.	<u>DISCHARGE OF DEBTOR AND RELEASES</u>	17
IX.	<u>EFFECT OF CONFIRMATION</u>	23
X.	<u>BEST INTEREST OF CREDITORS - FEASIBILITY</u>	24
	<u>STANDARD AND LIQUIDATION ANALYSIS</u>	24
XI.	<u>CLAIMS OBJECTIONS</u>	26
XII.	<u>EXECUTORY CONTRACTS</u>	27
XIII.	<u>POST CONFIRMATION JURISDICTION</u>	28
XIV.	<u>TAX ANALYSIS</u>	30
XV.	<u>GENERAL PROVISIONS</u>	32
XVI.	<u>RISK FACTORS</u>	34
XVII.	<u>ALTERNATIVES TO CONFIRMATION</u>	34
XVIII.	<u>RECOMMENDATION</u>	35
XIX.	<u>DISCLAIMERS</u>	36

Iron Bridge Tools, Inc. (“IBT” or “Debtor”), files this disclosure statement (“Disclosure Statement”) pursuant to 11 U.S.C. §1125 and Bankruptcy Rule 3016(c), in conjunction with the Debtor’s Plan of Reorganization, dated May 3, 2017, for the reorganization of IBT (the “Plan”).

I. INTRODUCTION

IBT filed for relief under Chapter 11, Title 11 of the United States Bankruptcy Code (the “Bankruptcy Code” or “Code”) in the United States Bankruptcy Court for the Southern District of Florida, Fort Lauderdale Division (the “Petition”) on May 25, 2016 (the “Petition Date”).

This Disclosure Statement contains information about the Debtor and the Plan filed by the Debtor on May 3, 2017. A copy of the Plan is attached to this Disclosure Statement as **Exhibit “1”**. Capitalized terms used herein but not otherwise defined have the meanings assigned to such terms in the Plan. Whenever the words “include,” “includes” or “including” are used in this Disclosure Statement, they are deemed to be followed by the words “without limitation.”

The Disclosure Statement is presented to certain holders of Claims against or Interests in the Debtor in accordance with the requirements of section 1125 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”). Section 1125 of the Bankruptcy Code requires that a disclosure statement provide information sufficient to enable a hypothetical and reasonable investor, typical of the Debtor’s creditors and stockholders, to make an informed judgment whether to accept or reject the Plan. The Disclosure Statement may not be relied upon for any purpose other than that described above.

THE DISCLOSURE STATEMENT AND THE PLAN ARE AN INTEGRAL PACKAGE, AND THEY MUST BE CONSIDERED TOGETHER FOR THE READER TO BE ADEQUATELY INFORMED. THIS INTRODUCTION IS QUALIFIED IN ITS ENTIRETY BY THE REMAINING PORTIONS OF THIS DISCLOSURE STATEMENT, AND THIS DISCLOSURE STATEMENT IN TURN IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN.

NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS

TO THE VALUE OF ITS PROPERTY) ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THE DISCLOSURE STATEMENT AND ITS EXHIBITS SHOULD BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR DEBTOR, WHO WILL IN TURN DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING ANY EXHIBITS CONCERNING THE FINANCIAL CONDITION OF THE DEBTOR AND THE OTHER INFORMATION CONTAINED HEREIN, HAS NOT BEEN SUBJECT TO AN AUDIT OR INDEPENDENT REVIEW EXCEPT AS EXPRESSLY SET FORTH HEREIN. ACCORDINGLY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONCERNING THE DEBTOR OR THEIR FINANCIAL CONDITION IS ACCURATE OR COMPLETE. THE PROJECTED INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PRESENTED FOR ILLUSTRATIVE PURPOSES ONLY, AND, BECAUSE OF THE UNCERTAINTY AND RISK FACTORS INVOLVED, DEBTOR'S ACTUAL RESULTS MAY NOT BE AS PROJECTED HEREIN.

ALTHOUGH AN EFFORT HAS BEEN MADE TO BE ACCURATE, DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS IS CORRECT. THE DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. EACH CREDITOR AND STOCKHOLDER IS STRONGLY URGED TO REVIEW THE PLAN PRIOR TO VOTING ON IT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THE DISCLOSURE STATEMENT UNLESS ANOTHER TIME IS SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH SINCE THE DATE OF THE DISCLOSURE STATEMENT.

A STATEMENT OF THE ASSETS AND LIABILITIES OF THE DEBTOR AS OF THE DATE OF THE COMMENCEMENT OF THE CHAPTER 11 CASES IS ON FILE WITH THE CLERK OF THE BANKRUPTCY COURT AND MAY BE INSPECTED BY INTERESTED PARTIES DURING REGULAR BUSINESS HOURS.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NON-BANKRUPTCY LAW. ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST, INTERESTS IN

OR SECURITIES OF, THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT ONLY IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS SUCH COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT WILL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN. EACH CREDITOR SHOULD, THEREFORE, CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISERS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THE PLAN OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Pursuant to the Bankruptcy Code, the Plan was filed with the Bankruptcy Court on May 3, 2017 and the Disclosure Statement was filed thereafter. This Disclosure Statement is filed in support of the Debtor's Plan. After the Disclosure Statement is approved, the Bankruptcy Court will schedule a hearing on the final approval of this Disclosure Statement and on confirmation of the Plan (the "Confirmation Hearing"), which will be held at the United States Bankruptcy Court for the Southern District of Florida, U.S. Courthouse, 299 East Broward Blvd., Courtroom 308, Fort Lauderdale, Florida 33301. At the Confirmation Hearing, the Bankruptcy Court will consider whether this Disclosure Statement and the Plan satisfy the requirements of the Bankruptcy Code, including whether the Plan is in the best interests of the Claimants, as defined below.

A. Purpose of Disclosure Statement

The Disclosure Statement contains only a summary of the Plan. The purpose in providing this Disclosure Statement is to provide the holders of Claims ("Claimants") with adequate information about the Plan to enable creditors to make an informed judgment on the merits of the Plan. This Disclosure Statement does not replace the Plan and therefore creditors and all parties in interest are urged to carefully read both the Plan and this Disclosure Statement and consult with counsel concerning the impact that these documents have upon creditors' legal rights.

Debtor submits this Disclosure Statement to all known Creditors and equity holders of Debtor whose Claims are affected under the Plan. The purpose of this Disclosure Statement is to present all information that the Bankruptcy Court has determined satisfies the requirements of the Bankruptcy Code and to enable Creditors and equity holders to make and form prudent decisions in exercising their rights to accept or reject the Plan. By approving this Disclosure Statement, the Bankruptcy Court neither recommends acceptance nor rejection of the Plan. The hearing on the Disclosure Statement is to determine whether the Disclosure Statement contains “adequate information” as that term is defined in 11 U.S.C. §1125(a)(1), and approval of same is not tantamount to a decision by the Bankruptcy Court on the merits of the Plan.

B. Source of Information Contained in the Disclosure Statement

The information contained in this Disclosure Statement has been developed based upon review and analysis of Debtor’s financial condition and the terms proposed by the Plan. The information contained in this Disclosure Statement has not been subject to audit by independent certified public accountants. The information contained in this Disclosure Statement is believed to be substantially accurate and may be relied upon in formulating a decision to accept or reject the Plan. The books and records of Debtor are not warranted or represented to be complete and historically accurate.

The Plan filed in connection with this Disclosure Statement is an integral part of the Disclosure Statement and each Creditor is urged to review the Plan prior to casting its vote.

All information herein is set forth as required pursuant to 11 U.S.C. §1125 and is not to be construed as a representation by Debtor, or to be used as an admission in any litigation.

C. Explanation of the Chapter 11 Case and the Plan Confirmation Process

A plan sets forth the means for satisfying claims against a debtor under Chapter 11 of the

Bankruptcy Code. Chapter 11 does not require that each holder of a claim against a debtor vote in favor of a plan in order for a Bankruptcy Court to confirm a plan. A plan must be accepted, however, by the holders of at least one impaired Class without considering claims of an “insider” within the meaning of the Bankruptcy Code. A holder of an impaired Claim, as defined in 11 U.S.C. §1124, or equity security is entitled to vote to accept or reject the plan if such Claim or equity security has been allowed under §502 of the Bankruptcy Code. In order for an impaired Class of Creditors or Class of equity security holders to be deemed to have accepted a plan, a majority number of holders of Claims and two-thirds in dollar amount of the total Allowed Claims or equity securities actually voting in the Class must vote in favor of the plan.

Even if all Classes of Claims and equity securities accept the plan, the Court may not confirm it under certain circumstances. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation. Among other things, that section requires that the plan be in the best interest of Creditors and equity security holders and that the value to be distributed to Creditors and equity security holders be not less than the value those parties would receive if Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

The Bankruptcy Court may confirm the plan even though less than all of the Classes of impaired Claims or Equity Securities accept it, so long as one Class of impaired Claims or Equity Securities (excluding insider Claims) accepts the plan. Confirmation of the plan over the objection of one or more Classes or Claims or equity securities is generally referred to as “Cramdown”. The circumstances under which the Court may confirm Debtor’s Plan over the objection of a Class of Claims or Equity Securities are set forth in §1129(b) of the Bankruptcy Code (the “Cramdown Provisions”). The Plan may be confirmed under the Cramdown Provisions, if, in addition to satisfying the usual requirements of §1129 of the Bankruptcy Code, it (i) does not discriminate

unfairly, and (ii) is fair and equitable with respect to each Class of Claims or Equity Securities that is impaired under, and has not accepted, the Plan. 11 U.S.C. §1129(b).

For purposes of seeking confirmation under the Cramdown Provisions, should that alternative be necessary, Debtor reserves the right to modify or vary the treatment of any Class, as provided in the Plan. Confirmation of Debtor's Plan is binding upon the Debtor, all Creditors, all equity security holders and all other parties in interest, regardless of whether or not they have accepted the Plan.

D. Proof of Claim or Proof of Interest

The Bar Date for filing a Proof of Claim or Proof of Interest has passed. If a Creditor is listed in Debtor's bankruptcy schedules as holding non-contingent, liquidated and undisputed Claims in an amount certain, that Creditor was not required to file a Proof of Claim and may therefore have elected not to file such a Proof of Claim. All other creditors were required to file a proof of claim on or before the Bar Date. Debtor's bankruptcy schedules are on file at the Bankruptcy Court and are available for inspection during regular business hours or online (<http://ecf.flsb.uscourts.gov>).

II. VOTING INSTRUCTIONS

The Plan divides the Claims of Creditors and Interests into classes or sub-classes. Only classes of Creditors and Interests with claims or interests impaired under the Plan are entitled to vote on a plan. Generally, and subject to the specific provisions of the Bankruptcy Code, this includes creditors and equity holders whose claims or interests, under a plan, may be modified in terms of principal, interest, length of time for payment, or a combination of the above. Each holder of a Claim in a class that is not impaired under the Plan is conclusively presumed to have accepted the Plan, and each class receiving or retaining nothing under the Plan is conclusively deemed to

have rejected the Plan. Solicitation of the acceptances from the holders of such claims is not required and will not be undertaken.

**CLERK OF THE COURT
UNITED STATES BANKRUPTCY COURT
299 EAST BROWARD BOULEVARD
COURTROOM 308
FORT LAUDERDALE, FL 33301**

In order to be counted, ballots must be received by the Bankruptcy Clerk no later than 4:00 p.m. Eastern Time on _____, 2017.

PLEASE VOTE EVERY BALLOT YOU RECEIVE. Completed ballots for holders of all Claims and Equity Securities should be returned and MUST BE RECEIVED BY THE DEADLINE SET FORTH IN THE ORDER SETTING CONFIRMATION HEARINGS AND OTHER DEADLINES. If you have Claims or Equity Securities Interests in more than one Class under the Plan, you will receive multiple ballots.

IF A BALLOT IS DAMAGED OR LOST, OR IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, CALL:

**Craig A. Pugatch, Esq.
Rice Pugatch Robinson Storfer & Cohen, PLLC
954-462-8000**

III. HISTORY OF DEBTOR

Iron Bridge Tools was founded in 2006, with an understanding that the hand tool industry still had plenty of untapped opportunities to explore. The company sought to discover how every tool could be improved upon or enhanced in a unique fashion to fit the needs of today's consumers. Innovation became the company's core focus.

The Company grew rapidly and at its largest point during 2010 was generating gross revenue of \$131,769.00, and during 2011 generated gross revenue of \$100,166.00. During the year prior to the petition (2015) the Debtor's gross revenue was \$17,393.00. The Debtor filed a voluntary petition to avoid further financial hardship in defending federal court litigation and due

to the execution efforts of a judgment creditor which garnished its available bank accounts and with the purpose of restructuring its debt with creditors through a plan while keeping continuity of shipments, operations and customer sales.

Currently Iron Bridge Tools has reduced its expenses while maintaining full-service product development along with distribution serving both the consumer market and the professional hand-tool market. Iron Bridge Tools manufactures under private label brands as well as licensed brands and house brands OEM manufacturing. The company's corporate headquarters is located in Florida, with manufacturing overseas and distribution from China.

IV. SUMMARY OF PROCEEDINGS IN CASE

The following the petition in this case, the Debtor quickly began to stabilize its operations by securing its source of funding for product manufacturing and shipment. If the Debtor does not ship product, then a chain reaction occurs wherein the core sales demand decreases and accordingly revenue is affect for a prolonged period. The rebound of shipping for the debtor creates a slow and steady increase in demand and thus increase in revenue over time. The Debtor's ability to ship and project revenue directly ties to the ability to receive funding for manufacturing operations. The Debtor, secured advanced funding through its factor in order to fund and stabilize post-petition operations. [D.E. 191].

Further, the Debtor sought to reduce its overhead and expense margin by downsizing its payroll and significantly reducing its leasehold for operations. In addition, the Debtor settled with Gateway Trade funding in order to stabilize and mitigate a substantial amount of post-petition debt service (10-14% of net revenue) and to reduce a post-petition interest carry and default fees from an asserted 40% (est) to a 5% fixed rate. [D.E. 174]

The Debtor has continued to stabilize its sales volume so as to better project and account

for its present volume of revenues and profit margins and has reached agreement with nearly all of its operating trade creditors and vendors critical to operations.

V. SUMMARY OF PLAN

THE DESCRIPTION OF THE PLAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SUMMARIZES ONLY CERTAIN PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OF THE PLAN. THIS SUMMARY IS NOT INTENDED TO SUBSTITUTE FOR A READING OF THE PLAN OR THE REMAINDER OF THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY. THE PLAN IS A LEGALLY BINDING DOCUMENT AND CREDITORS MAY WISH TO CONSULT WITH THEIR OWN ATTORNEYS, IF ANY, TO UNDERSTAND THE PLAN MORE FULLY.

THE TERMS OF THE PLAN AND CONFIRMATION ORDER WILL GOVERN THE RIGHTS OF THE PARTIES, AND PARTIES WITH IMPAIRED CLAIMS ARE THEREFORE URGED TO READ THE PLAN OF REORGANIZATION IN ITS ENTIRETY.

The Plan filed herein, a copy of which is attached hereto as **Exhibit “1”**, divides creditors into Classes.

- Class 1 allowed secured claim of Bridgeport Capital Funding LLC
- Class 2 allowed secured claim of Gateway Trade Funding Co. 2 LLC
- Class 3 allowed secured claim of Great Knives Manufacture 6 Ltd.
- Class 4 secured claim of Hardy Haenisch
- Class 5 secured claim of OTX Logistics Inc.
- Class 6 allowed claims of Unsecured Creditors who do not elect Class 7 Treatment
- Class 7 allowed claims of Unsecured Creditors who elect to be treated pursuant to section 5.7 of the Plan.
- Class 8 Equity Holders

Claims and interests shall be treated as follows under this Plan:

5.1 The Class 1 allowed secured claim of Bridgeport Capital Funding LLC is UNIMPAIRED. The pre-petition claim of Bridgeport Capital Funding LLC (“BCF”) has been paid in full during the pendency of the case and the ongoing operation of the factoring agreement, including as set forth in *FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION TO BRIDGEPORT CAPITAL FUNDING, LLC, NUNC PRO TUNC TO OCTOBER 5, 2016 AND OTHER RELIEF* [D.E. 191]. Pursuant to such order, the Debtor shall repay the balance due on the Additional Factor Advance and any other indebtedness owed in the IBT Over Advance Account according to the following payment schedule:

(i) BCF shall be entitled and authorized to withhold an additional five (5%) percent from the Factoring Formula Amount on each new post-petition Receivable factored hereunder and pursuant to the Factoring Agreements and Final Factoring Order for a total factor advance of seventy-one (71%) percent (the “Factoring Discount”) to the Debtor; and

(ii) BCF shall be entitled and authorized to retain and apply the Factoring Discount to the pay down the IBT Over Advance Account until such time as the Additional Factor Advance is paid and satisfied in full; and

(iii) BCF shall be entitled and authorized to retain in the Reserve Account a minimum amount of Twenty Thousand (\$20,000) Dollars per month and maximum amount of One Hundred and Ten Thousand (\$110,000) Dollars per month toward the IBT Over Advance Account in addition to any other Reserves necessary to maintain the Debtor within formula under the Factoring Agreements; and

(iv) BCF shall also be entitled and authorized to charge and collect as part of the IBT Over Advance Account an inception fee and monthly charges of 1.65% on the Additional Factor Advance, which amounts shall be added to the IBT Over Advance Account, until paid and satisfied in full.

5.2 The IMPAIRED Class 2 allowed secured claim of Gateway Trade Funding Co. 2 LLC has been settled pursuant to the *Order Granting Motion to Compromise Controversy* [D.E. 174] and shall be paid in accordance therewith. Specifically, the balance of \$101,727.90 was amortized over a 12 month period with interest of 5% per annum. Iron Bridge shall make a total of 12 monthly payments of \$8,708.67 beginning December 15, 2016. As of the filing of the Plan, 8 payments remain to be paid.

5.3 The IMPAIRED Class 3 allowed secured claim of Great Knives Manufacture 6 Ltd. is disputed in so far as the Debtor in Possession does not believe that there is any collateral of value securing the claim and any lien is fully subordinate to existing liens. To the extent that any amount of the claim of Great Knives Manufacture 6 Ltd. is deemed secured, then the extent of such secured claim shall be fully amortized over a period of 7 years at an interest rate of 4.5% with equal quarterly payments. Any remaining Unsecured Claim of Great Knives Manufacture 6, Ltd. shall be treated in Class 6.

5.4 The Class 4 secured claim of Hardy Haenisch. The secured claim of Hardy Haenisch is disputed in so far as the Debtor in Possession does not believe that there is collateral of value securing the claim and any lien is otherwise fully subordinate to existing liens. Hardy

Haenisch did not file a proof of claim. To the extent, pursuant to §506, of the value of any lien securing such claim payment in full satisfaction of such lien shall be fully amortized over a period of 7 years at an interest rate of 4.5% with equal quarterly payments. The Debtor reserves the alternative right and the option to surrender any collateral securing the Hardy Haenisch secured claim in satisfaction of the secured claim of Hardy Haenisch.

5.5 The Class 5 secured claim of OTX Logistics Inc. (“OTX”) is secured by inventory of the Debtor in possession of OTX. OTX did not file a proof of claim and accordingly shall be treated in accordance with its in rem lien rights. OTX shall retain its pre-petition lien and such lien and the value of collateral securing the OTX lien shall be satisfied by the payment of \$10,000 per month, beginning on the 15th of the month following the 60th day after the Effective Date and on the 15th of each month thereafter, during the first two years following the Effective Date and increasing to \$15,000 per month on the 15th of the month following the two year anniversary of the Effective Date and continuing until the value of the OTX lien on the Effective Date has been paid in full. The Debtor reserves the right and the option to surrender the collateral securing the OTX secured claim in satisfaction of the secured claim of OTX.

5.6 The IMPAIRED Class 6 allowed claims of Unsecured Creditors consists of Unsecured Claims who do not elect the treatment in Class 7 (section 5.7). As of the time the Debtor filed the initial Disclosure Statement, based on a review of the Debtor’s Schedules and the Proofs of Claims that had been filed, the Debtor estimates that the total potential unsecured claims without objection or reduction totals less than 8,000,000. The Debtor in Possession contends that this class will be further reduced by the claims objection process. The Debtor is still in the process of finalizing its objections to Claims.

Except to the extent that the holder of an Allowed Claim within Class 6 has been paid prior to the Effective Date or agrees to a less favorable treatment, holders of Allowed Class 6 Claims shall receive treatment on account of their Allowed Class 6 Claims in full satisfaction, settlement and release of their respective Allowed Claims, shall receive payment in an amount equal to the greater of: (i) \$1,000; or (ii) a pro rata share of the Discounted Fund made available for distribution solely to holders of Allowed Class 6 Claims, but in no event to exceed 25%. The Reorganized Debtor shall make distributions to holders of Class 6 Claims upon the later of: (i) one year following the Effective Date; or (ii) the allowance of a Class 6 Claim. The Reorganized Debtor shall reserve the greater of: (i) \$1,000; or (ii) pro rata share of the Discounted Fund that any holder of a Disputed Class 6 Claim would be entitled to receive in the event their Disputed Class 6 Claim was allowed in full. Any amounts remaining in the Discounted Fund after reconciliation and adjudication of all Disputed Claims shall be distributed first pro rata to holders of Allowed Class 6 Claims until such time as they receive their allowed pro rata share or 25%. The Debtor’s shareholder and Principal Glenn Robinson shall be jointly liable for payment of \$600,000 of the \$1,360,000 Discounted Fund as specified and further set forth in this Plan.

The Class 6 Claims are Impaired and the holders of Allowed Class 6 Claims are entitled to vote to accept or reject the Plan

IN THE EVENT THE HOLDER OF AN ALLOWED UNSECURED CLAIM FAILS TO MAKE AN ELECTION ON THE BALLOT BY THE DEADLINE, THE CLAIMHOLDER WILL AUTOMATICALLY RECEIVE THE TREATMENT IN CLASS 6.

5.7 The IMPAIRED Class 7 allowed claims of Unsecured Creditors consists of Unsecured Claims elect to be treated in Class 7. As of the time the Debtor filed the initial Disclosure Statement, based on a review of the Debtor's Schedules and the Proofs of Claims that had been filed, the Debtor estimates that the total potential unsecured claims without objection or reduction totals less than 8,000,000. The Debtor in Possession contends that this class will be further reduced by the claims objection process. The Debtor is still in the process of finalizing its objections to Claims.

Allowed unsecured claims that affirmatively elect to be in Class 7, except to the extent that the holder of a Claim has been paid prior to the Effective Date, or agrees to a different less favorable treatment, in full satisfaction, settlement and release of their respective Allowed Claims, shall be paid, by the Reorganized Debtor out of monthly Cash generated from the operation of the Reorganized Debtor, 70% of their respective Allowed Claims, over a period of ten (10) years from the Effective Date in 41 quarterly payments as follows: (i) the first 24 equal quarterly payments aggregating the lesser of 30% of the Allowed Claim or \$90,000 per quarter; (ii) the next 16 quarterly payments aggregating the lesser of 40% of the Allowed Claim or \$115,000 per quarter and (iii) and the last quarterly payment in any remaining amount of the distribution to equal a total distribution of 70% of the Allowed Claim. Said payments shall commence within ninety (90) days of the Effective Date (the "Final Distribution Date"), the Reorganized Debtor must satisfy any remaining amounts due under the plan to holders of Allowed Class 7 Claims through the payment of the Reorganized Debtor's Cash, or in the alternative, through obtaining financing prior to the Final Distribution Date in an amount equal to the remaining distribution to Allowed Claims the Reorganized Debtor must pay on the Final Distribution Date.

The Class 7 Claims are Impaired and the holders of Allowed Class 7 Claims are entitled to vote to accept or reject the Plan.

A copy of the form Ballot is attached to the Disclosure Statement as **Exhibit "2"**.

5.8 The Class 8 Equity Holders consists of the Allowed Equity Interests, held by the owner of the Debtor. Upon the funding of the Discounted Fund, Holders of Allowed Equity Interests shall be issued shares in the Reorganized Debtor in complete satisfaction of their Allowed Equity Interests in the Debtor. The Class 8 Interests are Impaired, but the Class 8 Equity holders are deemed insiders and shall be deemed to have accepted the plan. To the extent that a Class 8 Equity holder has a pre-petition claim, whether unsecured, secured, or priority, then such claim shall be subordinated and shall not be paid until distribution has been made on account of the Discounted Fund to Class 6 creditors.

VI. MEANS FOR IMPLEMENTATION OF PLAN

Funding from Debtor's Business Operations. Payments and distributions under the Plan will be funded by the Debtor's current and ongoing business operations which are sufficient to

meet the obligations under this Plan as well as the partial funding of the Discounted Fund by or on behalf of Glenn Robinson. Affixed hereto as **Exhibit “3”** is the Debtor’s projection of cash flows accounting for the Debt service under the Plan and the ability to fund the obligations under the plan.

Funding of the Discounted Fund. Pursuant to Article 5 of this Plan, a cash payment amount of \$1,360,000 shall be deposited and distributed for distribution by the Reorganized Debtor to Class 6 creditors who have elected to receive a pro-rata discounted distribution pursuant to Section 5.6 of this plan. Along with other consideration, including but not limited to claim subordination and relinquishment of partial equity in the Debtor, and in exchange for the releases, retention of equity and contribution to the Plan, the Debtor’s principal and pre-petition shareholder shall be jointly and severally liable for the payment of \$600,000 of the \$1,360,000 Discounted Fund pursuant to this Plan. \$200,000 of the Discounted Fund shall be paid by, borrowed by, or otherwise paid for the benefit of Glenn Robinson.

VII. DISTRIBUTIONS ON OR AFTER THE EFFECTIVE DATE

A. Place and Manner of Payments or Distributions.

Distributions by the Disbursing Agent shall be delivered by either (i) mail to the Claimant at the address of such Claimant as listed in the Schedules of Assets and Liabilities, or listed on any proof of claim filed by the Claimant, or (ii) by mail to such other address or by wire transfer to the destination that such Claimant shall have specified for payment purposes in a written notice to Debtor.

B. Undeliverable Distributions.

For purposes of provisions of this Article, an “Unclaimed Distribution” or “Undeliverable Distribution” (and, collectively, “**Unclaimed Property**”) means any distribution check issued by

the Disbursing Agent to any holder of an Allowed Claim or Interest pursuant to the Plan that (i) is returned to the Disbursing Agent as undeliverable and no appropriate forwarding address is received within the later of: (a) 180 days after the Effective Date, and (b) 180 days after such attempted distribution by the Disbursing Agent is made to such holder, or (ii) such distribution check is not negotiated or cashed within 180 days after its issuance by the Disbursing Agent and no request for re-issuance is made within such 180-day period, at which time, such distribution shall be subject of a stop payment order and no further distributions shall be made to such holder on account of such Allowed Claim or Interest. While the Disbursing Agent is under no affirmative obligation to attempt to locate any holder of an Allowed Claim and may rely upon the procedures set forth in Section 7.1 in the Plan (“Delivery of Distributions in General”), the Disbursing Agent should use best efforts to locate a holder of an Allowed Claim.

C. Treatment of Unclaimed or Undeliverable Distributions.

For the purposes of such determination as Unclaimed Property, such Allowed Claim or Interest shall be discharged and the holder of such Allowed Claim or Interest shall be forever barred from asserting such Claim against the Disbursing Agent, the Debtor, the Estates or their respective property. In such cases, any funds held for distribution on account of such Claim shall remain property of the Disbursing Agent subject to the other provisions of the Plan described herein.

As authorized by Local Rule 3011-1(B)(2) and (C)(2), if the combined total of Unclaimed Property related to Allowed Claims under the Plan totals (i) \$10,000 or more, the Unclaimed Property shall, subject to other provisions of the Plan, be distributed by the Disbursing Agent, at the time of the final distribution date, to the beneficiaries in Class 7 until such Beneficiaries are paid the full treatment on account of their Allowed Claims in Class 7, as determined by the

Disbursing Agent, and, thereafter, distributed by the Disbursing Agent to other Beneficiaries in the order of priority set forth in, and pursuant to the terms of, the Plan, or (ii) less than \$10,000, the Unclaimed Property shall be donated to the Bankruptcy Bar Foundation, a not-for-profit, non-religious organization dedicated to, among other things, promoting the pro bono legal representation of the indigent; provided that, pursuant to Section 1143 of the Bankruptcy Code, all Claims in respect of Unclaimed Property shall be deemed Disallowed, and the holder or successor to such holder of any Claim Disallowed will be forever barred, expunged, estopped and enjoined from asserting any such Disallowed Claim in any manner against the Debtor, the Estates, the Disbursing Agent, the Estates' assets, or their respective property, notwithstanding any federal or state escheat laws to the contrary.

VIII. DISCHARGE OF DEBTOR AND RELEASES

The rights afforded herein and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge and release of Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against Debtor and the Debtor in Possession, the Estate, or any of the assets or properties of the estate. Except as otherwise provided in the Plan, (i) on the Effective Date, all existing Claims against and Equity Interest in Debtor shall be satisfied, discharged and released in full, and (ii) all persons shall be precluded and enjoined from asserting against the Reorganized Debtor, its successors, or their assets or properties any other or further Claims or Interests based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such holder has filed a proof of claim or proof of equity interest and whether or not such holder has voted to accept or reject the Plan. Notwithstanding the foregoing, nothing in the Plan shall release, discharge, enjoin or preclude any Claim that has not

arisen as of the Effective Date that any governmental unit may have against Debtor and nothing in the Plan shall release, nullify or enjoin the enforcement of any liability to a governmental unit under environmental statutes or regulations that any entity would be subject to as the owner or operator of property after the date of entry of the Confirmation Order.

Release by Holders of Impaired Claims. The Plan, and the provisions and distributions set forth herein, is a full and final settlement and compromise of all Claims and causes of action, whether known or unknown, that holders of Claims against and Interests in Debtor may have against Debtor. In consideration of the obligations of the Debtor, the Reorganized Debtor, under the Plan, the securities, contracts, instruments, releases and other agreements or documents to be delivered in connection with the Plan, each holder of a Claim against or Interest in the Debtor shall be deemed to forever release, waive and discharge all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights to enforce Debtor's or the Reorganized Debtor's obligations under the Plan and the securities, contracts, instruments, releases and other agreements and documents delivered thereunder) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtor, the Chapter 11 case or the conduct thereof, or the Plan. Notwithstanding the foregoing, nothing in the Plan, or the Confirmation Order shall release any Claim or causes of action for gross negligence or willful misconduct.

On the Effective Date as to every discharged debt and Claim, the Creditor that held such debt or Claim shall be permanently barred from asserting against the Reorganized Debtor, or

against the Reorganized Debtor's assets or properties, any further or other Claim based upon any document, instrument or act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date. Except as otherwise specifically provided herein, nothing in this Plan shall be deemed to waive, limit or restrict in any way the discharge granted upon Confirmation of the Plan pursuant to § 1141 of the Code and effective as of the Effective Date.

INJUNCTIONS. As of the Effective Date, all persons who have held, hold or may hold Claims, or who have held, hold, or may hold Interests, shall be enjoined from taking any of the following actions against the Reorganized Debtor, the Debtor's estate, the assets or properties of the Reorganized Debtor (other than actions brought to enforce any rights or obligations under the Plan or appeals, if any, from the Confirmation Order) (i) commencing, conducting, continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Reorganized Debtor, the Debtor's estate or the assets or properties of the Reorganized Debtor, including the stock of the Reorganized Debtor, or any direct or indirect successor in interest to the Reorganized Debtor, or any assets or properties of any such transferee or successor; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means whether directly or indirectly any judgment, award, decree or order against the Reorganized Debtor or the Debtor's estate, including the stock of the Reorganized Debtor, or the assets or properties of the Reorganized Debtor or the Debtor's estate or any direct or indirect successor in interest to any of the Reorganized Debtor, or any assets or properties of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Reorganized Debtor or the Debtor's estate or the assets or properties of the Reorganized Debtor or the Debtor's estate

or any direct or indirect successor in interest to the Reorganized Debtor, or any assets or properties of any such transferee or successor other than as contemplated by the Plan; (iv) asserting any set off, right of subrogation or recoupment of any kind, directly or indirectly against any obligation due the Reorganized Debtor of the Debtor's estate or the assets or property of the Reorganized Debtor, or any direct or indirect transferee of any assets or property of, or successor in interest to, the Reorganized Debtor; and (v) proceeding in any manner in any place whatsoever that does not conform or comply with the provisions of the Plan.

To the extent that the Debtor's officers, directors, managers, members, shareholders, former shareholders, or insiders are jointly liable to a creditor with respect to a claim against the Debtor (such parties shall include specifically Glenn Robinson, and collectively referred to as "Co-Debtors" and such claims shall be referred to as "Co-Debtor Claim(s)"), then the holder of such claim shall, until such time as any payments or Distributions provided for in the Plan on account of such Co-Debtor Claim are completed, unless expressly provided by agreement approved and incorporated as treatment under this Plan, be enjoined from taking any of the following actions against the Co-Debtors, the assets or properties of the Co-Debtors (other than actions brought to enforce any rights or obligations under the Plan or appeals, if any, from the Confirmation Order) (i) commencing, conducting, continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Co-Debtors, or the assets or properties of the Co-Debtors, or any direct or indirect successor in interest to the Co-Debtors, or any assets or properties of any such transferee or successor; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means whether directly or indirectly any judgment, award, decree or order against the Co-Debtors, or the assets or properties of the Co-Debtors or any direct or indirect successor in interest to any of the Co-Debtors, or any assets or

properties of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Co-Debtors or the assets or properties of the Co-Debtors or any direct or indirect successor in interest to the Co-Debtors, or any assets or properties of any such transferee or successor other than as contemplated by the Plan; (iv) asserting any set off, right of subrogation or recoupment of any kind, directly or indirectly against any obligation due the Co-Debtors or the assets or property of the Co-Debtors, or any direct or indirect transferee of any assets or property of, or successor in interest to, the Co-Debtors; and (v) proceeding in any manner in any place whatsoever that does not conform or comply with the provisions of the Plan. The above injunction with respect to a Co-Debtor claim injunction shall terminate on the earlier of the completion of any payments or Distributions to be made under this Plan on account of such Co-Debtor Claim.

EXCULPATION. Except as otherwise provided in this Plan, Debtor in Possession, its officers, directors, employees, representatives, advisors, attorneys, financial advisors, or agents, or any of such parties' successors and assigns ("Released Parties"), shall not have or incur, and are hereby released from, any claim, obligation, cause of action or liability to one another or to any Holder of a Claim or an Interest, or any other party in interest, or any of its respective officers, directors, members, employees, representatives, advisors, attorneys, financial advisors, agents, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the pursuit of Confirmation of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, except for their willful misconduct or gross negligence, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under this Plan. The claims of the Released Parties shall remain the

liability of the Reorganized Debtor, nothing in this Plan releases or discharges the Released Parties claims against the Reorganized Debtor, and the Released Parties are expressly authorized to seek or otherwise agree to payment from the Reorganized Debtor. This waiver is necessary to confirm the Plan meeting the financial requirements of § 1129. Moreover, such parties have contributed funds and services to the estate which are necessary to obtain confirmation and to permit the continued operations of the Debtor and Reorganized Debtor and preserving the assets and facilitate treatment being provided under the Plan. As noted above such claims are being subordinated, if paid at all. Further, such parties are necessary to the operation of the Reorganized Debtor and its ability to make payments. Such waiver will avoid any indemnity requirements by the Debtor.

RELEASE AND COMPROMISE OF CLAIMS OF THE DEBTOR AND THE ESTATE. Class 7 Equity Holders have subordinated and recast their pre-petition claims. In addition, Glenn Robinson has agreed to be jointly and severally liable for the payment of \$600,000 of the Discounted Fund and \$200,000 of such Discounted Fund shall be paid by, borrowed by, or otherwise paid for the benefit and on account of Glenn Robinson. The Debtor does not have sufficient funds to otherwise Fund the Discounted Fund. Moreover, such parties have contributed funds and services to the estate which are necessary to obtain confirmation and to permit the continued operations of the Debtor and Reorganized Debtor and preserving the assets and facilitate treatment being provided under the Plan. In exchange for the foregoing and as a material and necessary condition of confirmation, the estate, the Debtor, the Debtor-in-Possession, the Reorganized Debtor, and any representative, successor, or party acting in the capacity of any of the foregoing, including all present and past employees, agents, representatives, officers, directors, members, managers, subsidiaries, parents and affiliates,

successors, representatives, as well as any and all successors and assigns of the foregoing, release Glenn Robinson and Lisa Robinson of and from all manner of actions, claims, causes of action, suits, obligations, liabilities, damages, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, expenses, compensation, attorneys' fees, court costs and other costs, judgments, executions, demands and every other claim of any kind, either at law or in equity, either direct or indirect, secondary or primary, including any derivative claims that could be asserted by any constituent, including all consequences thereof, regardless of whether such claims are known or unknown, foreseen or unforeseen, in existence currently or inchoate and not yet accrued, which any party may have had, now has, hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of these presents including but not limited to claims under Chapter 5 of Title 11 of the US Code, and claims arising in, arising under, and related to the Bankruptcy Code, this Bankruptcy Case, and whether arising pre-petition or post-petition which have accrued, or the basis of which arises from conduct occurring from, the beginning of time until the Confirmation of the Plan of Reorganization.

IX. EFFECT OF CONFIRMATION

Except as otherwise provided in the Plan or the order confirming the Plan, the confirmation of the Plan vests all of the property of the estate in the Debtor free and clear of all Claims, liens and encumbrances arising prior to the Confirmation Date unless specifically provided for in the Plan. The provisions of the Plan, if confirmed, shall bind Debtor, all Creditors, Interest holders, and any entity acquiring property under the Plan, whether or not the Claim or Interest of such Creditor, Equity Holder, or entity is impaired under the Plan and whether or not such Creditor, Equity Holder, or entity has accepted the Plan.

**X. BEST INTEREST OF CREDITORS - FEASIBILITY
STANDARD AND LIQUIDATION ANALYSIS**

Under Section 1129(a)(7) of the Code, the Court must find that either all members of an impaired class of Claims or interests have accepted the Plan or that the Plan will provide a creditor who has not accepted the Plan with a recovery of property of a value, as of the effective date of the Plan, that is not less than the amount such holder would recover if the Debtor were liquidated under Chapter 7 of the Code. The Distribution under the Plan provides value to creditors at a level far in excess of a market sale of the Debtor's Property.

If no plan is confirmed, Debtor's Chapter 11 Case may be converted to a case under Chapter 7, in which a trustee would be elected or appointed to liquidate the assets of the Debtor for distribution to its creditors in accordance with the priorities established by the Bankruptcy Code. The Debtor believes that a Chapter 7 liquidation represents an alternative inferior to the Plan in all material respects. The Debtor believes that at this time liquidation under Chapter 7 would result in diminution of the value of its Estate because of additional administrative expenses involved in the appointment of a trustee and attorneys, accountants, and other professionals to assist a trustee.

LIQUIDATION ANALYSIS UNDER A HYPOTHETICAL CHAPTER 7**Liquidation Value of Current Assets**

Accounts Receivable - Trade ¹	0.00
Inventory ²	\$2,000,000.00 - \$800,000.00
Software/Computer	\$10,000.00
Office Equipment	\$15,000.00
Office Furniture & Fixtures	\$15,000.00
Machinery, Tools & Equip ³	\$100,000.00
Testing Equipment	\$20,000.00
Bankruptcy Litigation and Chapter 5 Recoveries ⁴	\$300,000.00

ADMINISTRATIVE EXPENSES

OPERATING ADMINISTRATIVE EXPENSES ⁵	(\$3,400,000) est
ESTATE'S TAX OBLIGATIONS	(\$200,000) est
POST PETITION RENT EXPENSES	(\$50,000) est ⁶
PROFESSIONAL FEES AND COSTS CH 11	(\$280,000) est
Chapter 7 estimated warehousing expense	(\$350,000) ⁷
Chapter 7 Estimated Fees and Costs	(\$75,000)
Chapter 7 Trustee Commissions based upon 1.2M distributions	(\$60,000)
PAYMENT TO SECURED CLAIMS IN INVENTORY	(\$1,500,000⁸ - \$800,000)
EST. PAYMENT ON SECURED CLAIMS (Other)	(\$170,000)
AVAILABLE TO PRIORITY CLAIMS IN LIQUIDATION	(\$0)
PAYMENT TO UNSECURED CLAIMS	
(gross amount estimated \$8,000,000 before objections)	\$0

¹ Factored with BCF.

² Estimated range of \$2,000,000 if liquidated through Debtor's sales channels and going concern.

³ 3D Printing and R&D equipment.

⁴ Estimated Net Recoveries after fees or contingent fee. This estimate was derived in consultation with counsel for Creditors Committee and Debtor in Possession.

⁵ Inclusive of accelerated payment through liquidation of post-petition manufacturing and royalty debt which would otherwise be paid over time in a going concern through operations of the Debtor.

⁶ Estimated rents during Chapter 7 and remaining rent on termination during Chapter 11.

⁷ Estimated at \$50,000 for 7 months.

⁸ Estimated inventory secured creditor balance.

LIQUIDATION ANALYSIS CONCLUSIONS

Based on the foregoing analysis, the liquidation of the Debtor does not produce any distribution of funds beyond administrative and secured creditors, even if one presumes the highest going concern value for liquidation of the Debtor's existing inventory. The going concern value of the Debtor produces sufficient cash flow such that the reorganization of the Debtor produces a viable distribution to satisfy a substantial amount of the Debtor's obligations including meaningful distributions to unsecured creditors while a chapter 7 ostensibly provides no distribution other than to secured claimants. This is a result of the acceleration of manufacturing and administrative expenses in a liquidation which would otherwise be paid through operations and new product. In the absence of a going concern reorganization, creditors will see little to no recovery on their claims.

XI. CLAIMS OBJECTIONS

A. Deadline to Object to Claims and Respond Thereto.

The Deadline to object to claims shall be on or before thirty (30) days following the entry of an order confirming the Plan. A Claimant whose Claim has been objected to must file with the Court and serve a written response to such claim objection within 21 days after service of any objection to its Claim. Failure to file a response as set forth herein shall be cause for the Bankruptcy Court to enter an order sustaining the objection to claim and granting the relief sought therein. Any objection to claim seeking to utilize the time frame set forth in this paragraph shall contain a conspicuous bulletin in bold font at the top of the objection to claim. Failure to include such bulletin will result in the deadline for response and resolution as provided in the applicable rules and local rules of procedure.

B. Reserve.

Distributions by the Disbursing Agent shall be made only to the holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the holder of that Disputed Claim shall not receive the Distribution otherwise provided under the Plan. The Disbursing Agent shall make the initial Distributions to Allowed Claims and maintain a Disputed Claims Reserve on account of the Distributions for Disputed Claimants in the pro rata amount that claimants would receive if the amount of all Claims were allowed. In the event that a Disputed Claim becomes an Allowed Claim, then the Disbursing Agent shall make a distribution calculated based on the amount of the Allowed Claim. Upon resolution of all Disputed Claims, the Disbursing Agent shall disburse any remaining reserves pursuant to the terms of the Plan.

C. Post Confirmation Resolution of Claims Objections

Following confirmation of the Plan, Debtor shall be the only party with standing to prosecute and litigate claims objections, and shall have sole authority to settle, dismiss, or otherwise litigate objections to claims.

XII. EXECUTORY CONTRACTS

All Executory Contracts not otherwise assumed, assumed and assigned, or rejected pursuant to Section 365 of the Bankruptcy Code prior to the Effective Date shall be deemed rejected as of the Effective Date. Notwithstanding anything to the contrary set forth in the prior sentence, Debtor may designate any Executory Contract to be assumed or assumed and assigned on or before the Effective Date and such Executory Contract shall be assumed or assumed and assigned as of the Effective Date.

Entry of the Confirmation Order shall constitute the approval, pursuant to Sections 363(b), (f) and (m) and 365(a) and (f) of the Bankruptcy Code, of (i) the assumption or assumption and

assignment of the Executory Contracts identified in accordance with Section 5.1 and (ii) the rejection of the remaining Executory Contracts.

Unless the Bankruptcy Court, the Bankruptcy Code or the Bankruptcy Rules establish an earlier deadline with regard to the rejection of particular Executory Contracts, any Claims arising out of the rejection of Executory Contracts pursuant to Section 5.1 of the Plan must be filed with the Bankruptcy Court and served upon Trustee and Debtor no later than thirty (30) days after entry of the Confirmation Order. Any Claims not filed within such time will be forever barred and will not receive any distributions under the Plan. All Claims arising from the rejection of an Executory Contract shall be treated as general unsecured creditors.

XIII. POST CONFIRMATION JURISDICTION

The Bankruptcy Court, even after the case has been closed, shall have jurisdiction to the fullest extent of the law over all matters arising under, arising in, or relating to Debtor's chapter 11 cases, including proceedings to:

- a.** Ensure the consummation and implementation of the Plan, including, but not limited to taking any and all measures regarding the Sale, which includes the Auction Sale;
- b.** Enter such orders as may be necessary or appropriate to implement, consummate, or enforce the provisions of the Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan or the Disclosure Statement, including but not limited to deeds, transfers, and sales pursuant thereto and any disputes in connection therewith;
- c.** Consider any modification of the Plan under Section 1127 of the Bankruptcy Code;
- d.** Hear and determine all Claims, controversies, suits and disputes against estate to the extent permitted under 28 U.S.C. § 1334;
- e.** Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any and all objections to the allowance or priority of Claims;
- f.** Hear, determine, and adjudicate any litigation involving the Litigation Claims or other claims or causes of action constituting Property;

g. Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the estate that may be pending on or commenced after the Effective Date;

h. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any entity's obligations incurred in connection with the Plan, or any other agreements governing, instruments evidencing, or documents relating to any of the foregoing, including the interpretation or enforcement of any rights, remedies, or obligations under any of the foregoing;

i. Hear and determine all controversies, suits, and disputes that may arise out of or in connection with the enforcement of any and all subordination and similar agreements among various creditors pursuant to Section 510 of the Bankruptcy Code;

j. Hear and determine all requests for compensation and/or reimbursement of expenses that may be made for fees and expenses incurred before the Effective Date;

k. Enforce any Final Order, the Confirmation Order, the final decree, and all injunctions contained in those orders;

l. Enter an order concluding and terminating this case;

m. Correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order;

n. Determine all questions and disputes regarding title to the Debtor's Property;

o. Classify the Claims of any Claim holders and the treatment of these Claims under the Plan, to re-examine Claims that may have been allowed for purposes of voting, and to determine objections that may be filed to any Claims;

p. Take any action described in the Plan involving the post-confirmation Debtor, sale of Property including The Sale, or the Disbursing Agent;

q. Enter a final decree in Debtor's case as contemplated by Bankruptcy Rule 3022;

r. Enforce, by injunction or otherwise, the provisions set forth in the Plan, the Confirmation Order, any final decree, and any Final Order that provides for the adjudication of any issue by the Bankruptcy Court; and

s. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated.

If the Bankruptcy Court abstains, exercises discretion, or is otherwise precluded from hearing any matter within the scope of its jurisdiction, nothing in the Plan shall prohibit or limit the exercise of jurisdiction by any other tribunal of competent jurisdiction.

XIV. TAX ANALYSIS

THE FOLLOWING DISCUSSION IS A SUMMARY OF CERTAIN MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO HOLDERS OF CLAIMS AGAINST DEBTOR, BUT IS NOT A COMPLETE DISCUSSION OF ALL SUCH CONSEQUENCES. CERTAIN OF THE CONSEQUENCES DESCRIBED BELOW ARE SUBJECT TO SUBSTANTIAL UNCERTAINTY DUE TO THE UNSETTLED STATE OF THE TAX LAW GOVERNING BANKRUPTCY REORGANIZATIONS. NO RULINGS HAVE BEEN OR WILL BE REQUESTED FROM THE INTERNAL REVENUE SERVICE (THE "IRS") WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN. FURTHER, THE TAX CONSEQUENCES OF THE PLAN TO THE HOLDERS OF CLAIMS AGAINST DEBTOR MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. IN ADDITION, THERE MAY BE STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE PLAN APPLICABLE TO PARTICULAR HOLDERS OF CLAIMS OR INTERESTS, NONE OF WHICH ARE DISCUSSED BELOW. THEREFORE, THE FOLLOWING SUMMARY IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM, AND YOU ARE URGED TO CONSULT WITH YOUR OWN TAX ADVISORS CONCERNING THE INDIVIDUAL TAX CONSEQUENCES OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING STATE, LOCAL AND FOREIGN TAX CONSEQUENCES.

THIS DOCUMENT IS NOT INTENDED TO BE RELIED UPON AS TAX ADVICE BY ANY PARTY.

A portion of the consideration received pursuant to the Plan in payment of a Claim may be allocated to unpaid interest, and the remainder of the consideration will be allocated to the principal amount of the Claim. The tax consequences of the consideration allocable to the portion of a Claim related to interest differ from the tax consequences of the consideration allocable to the portion of a Claim related to principal.

Holders of claims will recognize ordinary income to the extent that any consideration received pursuant to the Plan is allocable to interest, and such income has not already been included in such Creditor's taxable income. The determination as to what portion of the consideration received will be allocated to interest is unclear, and may be affected by, among other things, rules in the Internal Revenue Code (the "Tax Code") relating to original issue discount and accrued market discount. Holders of claims should consult their own tax advisors as to the amount of any consideration received under the Plan that will be allocated to interest. If amounts allocable to interest are less than amounts previously included in the Creditor's taxable income, the difference will result in a loss. Any amount not allocable to interest will be allocated to the principal amount of the Claim paid pursuant to the Plan, and will be treated as discussed herein.

Creditors receiving Cash generally will recognize gain or loss on the exchange equal to the difference between its basis in the Claim and the amount of Cash received that is not allocable to interest. The character of any recognized gain or loss will depend upon the status of the Creditor, the nature of the Claim in its hands and the holding period of such Claim. If a Creditor has treated a Claim as wholly or partially worthless and been allowed a bad debt deduction, the Creditor will include the amount of Cash received in income to the extent such Cash exceeds the Creditor's

remaining tax basis in the Claim. Creditors may be entitled to installment sales treatment or other deferral with respect to the distribution they receive subsequent to the Effective Date. Creditors may already have claimed partial bad debt deductions with respect to their claims. The IRS may take the position that holders of Allowed claims cannot claim an otherwise allowable further loss in the year in which their Claim is allowed because they could receive further distributions. Thus, a Creditor could be prevented from recognizing a loss until the time when its Claim has been liquidated and distributions have been completed. If a Creditor is permitted to recognize a loss in the year of the Effective Date by treating the transaction as a “closed transaction” at such time, it may recognize income on any subsequent distribution.

In making distributions pursuant to the Plan, Disbursing Agent will comply with withholding and reporting requirements imposed by federal, state or local taxing authorities.

XV. GENERAL PROVISIONS

A. Notices. Whenever the Plan requires notice to be given, such notice shall be given to the following parties at their respective addresses unless a prior notice of change of address has been served indicating a new address:

Debtor/Disbursing Agent
Craig A. Pugatch
Rice Pugatch Robinson Storfer & Cohen, PLLC
101 NE 3rd Ave, Suite 1800
Fort Lauderdale, FL 33301
Facsimile: (954) 462-4300
Email: capugatch@rprslaw.com

and

Iron Bridge Tools, Inc.
Attn: Glenn Robinson, President
6820 LYONS TECHNOLOGY CIRCLE, STE. 250
COCONUT CREEK, FL 33073
Email: glenn@ironbridgetools.com

B. Dates. The provisions of Bankruptcy Rule 9006 in effect on the date of the Confirmation Order shall govern the calculation of any dates or deadlines referenced in the Plan.

C. Further Action. Nothing contained in the Plan shall prevent the estate or Debtor from taking such actions as may be necessary to consummate the Plan, even though such actions may not specifically be provided for within the Plan.

D. Attachments. All attachments to the Plan are incorporated herein by reference and are intended to be an integral part of this document as though fully set forth in the Plan. All exhibits to the Plan shall be filed with the Bankruptcy Court no later than five (5) days before the Confirmation Date.

E. Plan Amendments. Before the Confirmation Date, the Plan Proponent may withdraw the Plan, without approval of the Bankruptcy Court. After the Confirmation Date, the Proponent or Disbursing Agent may, subject to Bankruptcy Court approval and so long as it does not materially or adversely affect the rights set forth in the Plan of creditors and other parties in interest, amend or modify the Plan to remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order, in such manner that may be necessary to carry out the purposes and intent of the Plan.

F. Binding Effect. Upon occurrence of the Effective Date, the Plan shall be binding on, and inure to the benefit of Debtor, the estate, the Claim holders and Interest holders, and their respective successors and assigns, regardless of whether those parties voted to accept the Plan.

G. Governing Law. Except to the extent that the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without giving effect to any conflicts of law principles.

XVI. RISK FACTORS

In deciding whether to accept or reject the Plan, a creditor or other claimant should consider risk factors. Each creditor or other claimant should consult its own counsel and financial advisors regarding risk factors. There are a number of conditions to performance under the Plan, including: each of the conditions of the Effective Date described in the Plan and herein, and an order must be entered by the Bankruptcy Court confirming the Plan. There is no guarantee that each of these conditions will be satisfied or waived. Debtor believe that the primary risk of the Plan is that the Plan will not be confirmed or that one or more conditions to the Effective Date of the Plan will not occur.

XVII. ALTERNATIVES TO CONFIRMATION

There are three possible consequences if the Plan is rejected or if the Bankruptcy Court refuses to confirm the Plan: (a) the Bankruptcy Court could dismiss Debtor's Chapter 11 Bankruptcy Case, (b) Debtor's Chapter 11 Bankruptcy Case could be converted to a liquidation case under Chapter 7 of the Bankruptcy Code, or (c) the Bankruptcy Court could consider an alternative plan of reorganization proposed by Debtor or some other party.

A. Dismissal

If Debtor's Bankruptcy Case was to be dismissed, Debtor would no longer have the protection of the Bankruptcy Court and the applicable provisions of the Bankruptcy Code. Dismissal would force a race among creditors to take over and dispose of Debtor's available assets.

B. Chapter 7 Liquidation

If the Plan is not confirmed, it is possible that Debtor's Bankruptcy Case will be converted to a case under Chapter 7 of the Bankruptcy Code, in which case a trustee would be appointed to liquidate Debtor's assets for distribution to creditors in accordance with the priorities established

by the Bankruptcy Code. Whether a bankruptcy case is one under Chapter 7 or Chapter 11, Secured Claims, Administrative Claims, and Priority Unsecured Claims are entitled to be paid in full before unsecured creditors receive any funds. The Chapter 7 trustee would be entitled to receive the compensation allowed under 11 U.S.C. § 326. The trustee's compensation is based on 25% of the first \$5,000.00 or less, 10% of any amount in excess of \$50,000.00 but not in excess of \$1,000,000.00; and reasonable compensation not to exceed 3% of any amount in excess of \$1,000,000.00, upon all moneys disbursed or turned over in the case by the trustee to parties in interest, excluding the Debtor, but including holders of secured claims.

Conversion to a Chapter 7 liquidation, likewise destroys Debtor's operations. While the Chapter 7 trustee can obtain permission to operate a business for a short period of time while the business is being liquidated, a liquidation of Debtor would produce less economic results as the proposed plan, while destroying the Debtor and the prospects contemplated for the Debtor's assets.

Debtor believes that a distressed sale of the Debtor's assets in Chapter 7 will result in no distribution to priority or unsecured creditors, as exemplified in the Liquidation Analysis contained herein. Creditors and the Court are permitted to consider and should consider the non-economic and community benefits of Debtor as a going concern, and there is no reason to arbitrarily destroy Debtor when reorganization and satisfaction of creditors can be achieved through Chapter 11 confirmation.

XVIII. RECOMMENDATION

Debtor believes that the Plan is in the best interest of all Creditors and provides a recovery, where there otherwise might be greater difficulty and a lower recovery as well as destruction of Debtor's operations. Therefore, Debtor's recommend Claimants vote to accept the Plan.

XIX. DISCLAIMERS

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF, AND UNLESS ANOTHER TIME IS SPECIFIED HEREIN, NEITHER THE DELIVERY OF THIS DISCLOSURE STATEMENT NOR AN EXCHANGE OF RIGHTS MADE IN CONNECTION HEREWITH, SHALL UNDER ANY CIRCUMSTANCE, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF. ANY BENEFITS OFFERED TO THE HOLDERS OF CLAIMS OR INTERESTS, IN ACCORDANCE WITH THE PLAN, WHICH MAY CONSTITUTE SECURITIES, HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), OR BY ANY RELEVANT GOVERNMENT AUTHORITY OF ANY STATE OF THE UNITED STATES. NEITHER THE COMMISSION, NOR ANY SUCH STATE AUTHORITY, HAVE PASSED UPON THE ACCURACY OF THIS DISCLOSURE STATEMENT OR THE MERITS OF THE PLAN. NO REPRESENTATIONS CONCERNING DEBTOR, THE VALUE OF THEIR PROPERTY, OR THE VALUE OF ANY BENEFITS OFFERED TO HOLDERS OF CLAIMS OR INTERESTS IN CONNECTION WITH THE PLAN, ARE AUTHORIZED, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCES WHICH ARE CONTRARY TO THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED ON BY YOU IN ARRIVING AT ITS DECISION. ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO UNDERSIGNED COUNSEL. THE

INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECTED TO A CERTIFIED AUDIT. WHILE DEBTOR'S REAL ESTATE HAS BEEN APPRAISED, OPINIONS OF VALUE MAY DIFFER AND CIRCUMSTANCES MAY CHANGE. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE APPROVAL OF THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN, OR A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

Submitted by:

/s/ Craig A. Pugatch, Esq.

CRAIG A. PUGATCH, Florida Bar No.: 653381

CHAD P. PUGATCH, Florida Bar No.: 220582

Counsel for Debtor in Possession

RICE PUGATCH ROBINSON STORFER & COHEN, PLLC

101 NE 3rd Avenue, Suite 1800

Fort Lauderdale, Florida 33301

Telephone: (954) 462-8000

Facsimile: (954) 462-4300

capugatch@rprslaw.com

IRON BRIDGE TOOLS, INC.

By: Glenn Robinson, as President

INDEX TO EXHIBITS

- Exhibit 1 – Debtor’s Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code
- Exhibit 2 - Ballot
- Exhibit 3 - Projection of Cash Flows

J:\WPDocs\5815.001 Iron Bridge Tools\Plan and Disco\IBT Disclosure Statement.docx

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION

IN RE:

CASE NO. 16-17505-RBR

IRON BRIDGE TOOLS, INC.

CHAPTER 11

Debtor.

DEBTOR IN POSSESSION IRON BRIDGE TOOLS, INC.'S
PLAN OF REORGANIZATION

Submitted by:

/s Craig A. Pugatch

CRAIG A. PUGATCH, Florida Bar No. 653381
CHAD P. PUGATCH, Florida Bar No.: 220582
Counsel for Debtor in Possession
RICE PUGATCH ROBINSON STORFER & COHEN, PLLC
101 NE 3rd Avenue
Fort Lauderdale, Florida 33301
Telephone: (954) 462-8000
Facsimile: (954) 462-4300
capugatch@rprsllaw.com

TABLE OF CONTENTS

ARTICLE I INTRODUCTION..... 3
ARTICLE II DEFINED TERMS; RULES OF CONSTRUCTION..... 3
 2.1 **Defined Terms..... 3**
 2.1.3 **Rules of Construction. 13**
ARTICLE III CLASSIFICATION OF CLAIMS AND INTERESTS 13
**ARTICLE IV TREATMENT OF SUPERPRIORITY CLAIMS, ADMINISTRATIVE
EXPENSE CLAIMS, U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS.... 14**
ARTICLE V TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN..... 15
ARTICLE VI 18
ARTICLE VII ALLOWANCE AND DISALLOWANCE OF CLAIMS..... 19
ARTICLE VIII PROVISIONS FOR EXECUTORY CONTRACTS 19
AND UNEXPIRED LEASES..... 19
ARTICLE IX 20
MEANS FOR IMPLEMENTATION OF THE PLAN 20
ARTICLE X DISTRIBUTIONS..... 20
ARTICLE XI 21
GENERAL PROVISIONS 21
ARTICLE XIII 26
SUBSTANTIAL CONSUMMATION 26
ARTICLE XIV POST CONFIRMATION JURISDICTION 26

ARTICLE I INTRODUCTION

This Plan of Reorganization (the “Plan”) under chapter 11 of the Bankruptcy Code (the “Code”) proposes to pay creditors of Iron Bridge Tools, Inc. (“IBT” or “Debtor”) from cash flow from operations and future income. This Plan provides for the treatment of 5 classes of secured creditors, as well as the treatment of unsecured creditors by way of their election of 2 treatment options on account of their claims. This Plan also provides for the payment of administrative and priority claims except as agreed to by such claimant or as expressly stated in the plan.

All creditors and equity security holders should refer to this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE II DEFINED TERMS; RULES OF CONSTRUCTION

2.1 Defined Terms.

2.1.1. As used in the Plan, the following terms (which appear in the Plan as capitalized terms) shall have the meanings set forth below:

"Administrative Claim" means any Claim for the payment of an Administrative Expense.

"Administrative Expense" means (a) any cost or expense of administration of the Reorganization Case that is allowed under Sections 503(b) or 507(a)(1) of the Bankruptcy Code, to the extent the party claiming any such Administrative Expense files an application, motion, request or other Bankruptcy Court-approved pleading seeking such expense in the Reorganization Case on or before the applicable Administrative Claims Bar Date, including (i) any actual and necessary costs and expenses of preserving the Estates or operating the businesses of the Debtor (including wages, salaries, or commissions for services rendered) incurred on or after the Petition Date, (ii) any Post-petition cost, indebtedness or contractual obligation duly and validly incurred by the Debtor in Possession in the ordinary course of their businesses, (iii) any Claim granted administrative priority status by a Final Order of the Bankruptcy Court, (iv) any Claim by a Governmental Authority for taxes (and for interest and/or penalties related to such taxes) for any tax year or period, to the extent such Claim accrues Post-petition, (v) compensation to employees and management of the Debtor, and (vii) compensation or reimbursement of expenses of Professionals awarded or Allowed pursuant to an order of the Bankruptcy Court under Sections 330(a) or 331 of the Bankruptcy Code (including any amounts held back during the course of the

Reorganization Case pursuant to an order of the Bankruptcy Court); (b) any superpriority claim; (c) all fees and charges assessed against the Estates under Chapter 123 of title 28, United States Code, 28 U.S.C. §§ 1911-1930; and (d) any and all other costs or expenses of administration of the Reorganization Case that are Allowed by a Final Order of the Bankruptcy Court; provided, however, that, when used in the Plan, the term "Administrative Expense" shall not include any Priority Tax Claim, any Disallowed Claim, or any of the Claims in Classes 1 through 4.

"Affiliate" has the meaning ascribed to such term in Section 101(2) of the Bankruptcy Code.

"Allowed Amount" means the dollar amount in which a Claim is Allowed.

"Allowed Claim" means a Claim or that portion of a Claim which is not a Disputed Claim or a Disallowed Claim and (a) as to which a Proof of Claim was filed with the Clerk's Office on or before the Bar Date, or, by order of the Bankruptcy Court, was not required to be so filed, or (b) as to which no Proof of Claim was filed with the Clerk's Office on or before the Bar Date, but which has been or hereafter is listed by the Debtor in the Schedules as liquidated in amount and not disputed or contingent, and, in the case of subparagraph (a) or (b) above, as to which either (i) no objection to the allowance thereof has been filed within the time allowed for the making of objections as fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules or the Bankruptcy Court, or (ii) any objection made has been determined and the Claim has been allowed by a Final Order (but only to the extent so allowed). "Allowed Claim" shall also include a Claim that is allowed by the Bankruptcy Court (a) in any contract, instrument or other agreement or document entered into in connection with the Plan; (b) in a Final Order; or (c) pursuant to the terms of the Plan. "Allowed," when used as an adjective herein (such as Allowed Administrative Claim, Allowed Priority Tax Claim, Allowed Priority Claim, Allowed Secured Claim, Allowed Unsecured Claim, and Allowed Deductible Claim), has a corresponding meaning.

"Allowed Class __ Claim" means an Allowed Claim in the particular Class enumerated or described.

"Assumed Contract" means any unexpired lease and/or executory contract assumed by the Debtor during the Reorganization Case or under the Plan pursuant to a Final Order of the Bankruptcy Court.

"Avoidance Action Recoveries" means, collectively, Fraudulent Conveyance Action Recoveries and Preference Action Recoveries pursuant to or authorized by Chapter 5 of Title 11 of the United States Code.

"Avoidance Actions" means, collectively, Fraudulent Conveyance Actions and Preference Actions; provided, however, that when used in the Plan, the term "Avoidance Actions" shall not include any causes of action (a) released or waived pursuant to the Plan by order of the Bankruptcy Court or (b) retained by the Reorganized Debtor pursuant to the Plan. An Avoidance

Action shall not, under any circumstances, be waived as a result of the failure of the Debtor to describe such Avoidance Action with specificity in the Plan or the Disclosure Statement; nor shall the Reorganized Debtor be estopped or precluded under any theory from pursuing the Avoidance Actions. Nothing in the Plan operates as a release of any of the Avoidance Actions unless expressly stated in the Plan.

"Ballot" means the ballot accompanying the Disclosure Statement upon which Holders of Claims in each Impaired Class of Claims entitled to vote on the Plan shall indicate their acceptance or rejection of the Plan in accordance with the Voting Instructions.

"Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Reorganization Case.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Florida, Fort Lauderdale Division, or, as the context requires, any other court of competent jurisdiction exercising jurisdiction over the Reorganization Case.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Reorganization Case.

"Bar Date" means the date(s) established by the Bankruptcy Court from time to time as the last day for filing a Proof of Claim against, or a proof of Equity Interest in, any of the Debtor, including with respect to executory contracts and unexpired leases that are rejected pursuant to the Plan, pursuant to a Final Order of the Bankruptcy Court or otherwise pursuant to Section 365 of the Bankruptcy Code.

"Business Day" means any day other than a Saturday, Sunday or "legal holiday" (as such term is defined in Bankruptcy Rule 9006(a)).

"Cash" means cash, cash equivalents and other readily marketable direct obligations of the United States, as determined in accordance with generally accepted accounting principles, including bank deposits, certificates of deposit, checks and similar items. When used in the Plan with respect to a distribution under the Plan, the term "Cash" means lawful currency of the United States, a certified check, a cashier's check, a wire transfer of immediately available funds from any source, or a check from IBT, as the case may be, drawn on a domestic bank.

"Causes of Action" means any and all of the Debtor's or the Debtor's Estate's actions, claims, demands, rights, defenses, counterclaims, suits and causes of action, whether known or unknown, in law, equity or otherwise, against any Creditor or other third party, all of which shall be retained by the Reorganized Debtor on the Effective Date; provided, however, that when used in the Plan, the term "Causes of Action" shall not include (a) any claims, obligations,

suits, judgments, damages, rights, remedies, causes of action, charges, costs, debts, indebtedness, or liabilities released or waived the Plan, by order of the Bankruptcy Court or in writing by the Debtor or the Reorganized Debtor or (b) the Avoidance Actions. A Cause of Action shall not, under any circumstances, be waived as a result of the failure of the Debtor to describe such Cause of Action with specificity in the Plan or the Disclosure Statement; nor shall the Reorganized Debtor be estopped or precluded under any theory from pursuing the Causes of Action unless expressly released, waived, or set forth in the Plan.

"Causes of Action Recoveries" means the proceeds of any Causes of Action.

"Claim" has the meaning ascribed to such term in Section 101(5) of the Bankruptcy Code. Notwithstanding anything to the contrary contained herein, when used in the Plan, the term "Claim" shall be given the broadest possible meaning permitted by applicable law and shall include all manner and type of claim, whenever and wherever such claim may arise.

"Claimant" means a person or entity that holds a Claim.

"Class" means a category of Claims or Equity Interests classified together as described in Article III of the Plan.

"Clerk" means the Clerk of the Bankruptcy Court.

"Clerk's Office" means the Office of the Clerk of the Bankruptcy Court located at the U.S. Bankruptcy Court, 299 E. Broward Blvd, 1st Floor, Fort Lauderdale, Florida 33301.

"Collateral" means Property in which any of the Debtor's Estate has an interest and that secures, in whole or part, whether by agreement, statute, or judicial decree, the payment of a Claim.

"Confirmation" or **"Confirmation of the Plan"** means the approval of the Plan by the Bankruptcy Court at the Confirmation Hearing.

"Confirmation Date" means the date on which the Confirmation Order is entered on the Docket pursuant to Bankruptcy Rule 5003(a).

"Confirmation Hearing" means the hearing(s) which will be held on _____, _____ at _____ .m. pursuant to Section 1128(a) of the Bankruptcy Code in which the Debtor will seek Confirmation of the Plan.

"Confirmation Order" means the order of the Bankruptcy Court in the Reorganization Case confirming the Plan pursuant to Section 1129 and other applicable sections of the Bankruptcy Code, which order shall be in form and substance reasonably satisfactory to the

Debtor, and shall include any amendments, supplements or modifications thereto made with the consent of the Debtor.

"Creditor" means the Holder of a Claim, within the meaning of Section 101(10) of the Bankruptcy Code, including Creditors with Administrative Claims, Priority Tax Claims, Priority Claims, Secured Claims and Unsecured Claims.

"Creditors' Committee" means the Official Committee of Unsecured Creditors appointed by the United States Trustee in the Reorganization Case pursuant to Section 1102 of the Bankruptcy Code.

"Cure Claim" means any Claim of any nature whatsoever, including any Claim for any cure payment, cost or other amount, if any, due and owing by the Debtor pursuant to Section 365(b) of the Bankruptcy Code or otherwise and any Claim for a default (monetary or non-monetary), arising from, relating to or in connection with the assumption by any of the Debtor and assignment to any third party of any Assigned Contract, in each case as allowed by a Final Order of the Bankruptcy Court.

"Debt" has the meaning ascribed to such term in Section 101(12) of the Bankruptcy Code.

"Debtor" means, Iron Bridge Tools, Inc.

"Debtor in Possession" means, Iron Bridge Tools, Inc. and as that term is defined in 11 U.S.C. §1107.

"Disallowed Claim" means any Claim which has been disallowed by an order of the Bankruptcy Court, which order has not been stayed pending appeal.

"Disclosure Statement" means the Disclosure Statement for Debtor's Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code including all exhibits, appendices, and schedules attached thereto, as submitted by the Debtor pursuant to Section 1125 of the Bankruptcy Code in respect of the Reorganization Case and approved by an order of the Bankruptcy Court, and as the same may be amended, supplemented, modified or amended and restated from time to time.

"Discounted Fund" means the sum of money constituting the total of up to \$1,360,000 which shall be distributed by the Debtor pursuant to Article V, section 5.6.

"Disputed Claim" means any Claim (other than a Disallowed Claim) that is not an Allowed Claim and (a) as to which a Proof of Claim has been filed with the Clerk's Office or is deemed filed under applicable law or order of the Bankruptcy Court, or (b) which has been scheduled in the Schedules, and, in the case of subparagraph (a) or (b) above, as to which an

objection has been or may be timely filed or deemed filed under applicable law and any such objection has not been (i) withdrawn, (ii) overruled or denied by an order of the Bankruptcy Court, or (iii) sustained by an order of the Bankruptcy Court. In addition to the foregoing, a Disputed Claim shall also mean a Claim that is not an Allowed Claim, whether or not an objection has been or may be timely filed, if (a) the amount of the Claim specified in the Proof of Claim exceeds the amount of any corresponding Claim scheduled in the Schedules, (b) the classification of the Claim specified in the Proof of Claim differs from the classification of any corresponding Claim scheduled in the Schedules, (c) any corresponding Claim has been scheduled in the Schedules as disputed, contingent or unliquidated, (d) no corresponding Claim has been scheduled in the Schedules, or (e) such Claim is reflected as unliquidated or contingent in the Proof of Claim filed in respect thereof. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Disputed Claim only to the extent of the objection. To the extent that the amount of the Claim specified in the Proof of Claim exceeds the amount of any corresponding Claim scheduled in the Schedules, such Claim shall be a Disputed Claim only to the extent of the amount specified in the Proof of Claim which is in excess of the amount of the Claim as scheduled.

"Distribution Date" means, when used with respect to an Allowed Administrative Claim or an Allowed Priority Claim, the date which is as soon as reasonably practicable after the later to occur of (a) the Effective Date and (b) the first Business Day after the date the order of the Bankruptcy Court allowing such Administrative Claim or Priority Claim is entered on the Docket. "Distribution Date," when used with respect to an Allowed Unsecured Claim in Class 6 and class 7 means the date selected for any distribution to Holders of Allowed Claims in Class 6 and 7.

"Docket" means the docket or dockets in the Reorganization Case maintained by the Clerk.

"Effective Date" means, and shall occur on, the first Business Day on which all of the conditions precedent to the occurrence of the Effective Date contained in Article 11.02 of the Plan have been satisfied (as determined by the Debtor) or waived by the Debtor as provided in Article 11.02 of the Plan.

"Entity" has the meaning ascribed to such term in Section 101(15) of the Bankruptcy Code.

"Estate" means the estate created for the Debtor by Section 541 of the Bankruptcy Code upon the commencement of the Reorganization Case for the Debtor.

"Final Decree Date" means the date on which a Final Order, obtained after a hearing on notice to all parties as the Bankruptcy Court may direct, has been entered determining that the Reorganization Case should be closed.

"Final Order" means (a) an order, judgment, ruling or other decree (or any revision, modification or amendment thereto) issued and entered by the Bankruptcy Court or by

any state or other federal court as may have jurisdiction over any proceeding in connection with the Reorganization Case for the purpose of such proceeding, which order, judgment, ruling or other decree has not been reversed, vacated, stayed, modified or amended and as to which (i) no appeal, petition for review, reargument, rehearing, reconsideration or certiorari has been taken and is pending and the time for the filing of such appeal, petition for review, reargument, rehearing, reconsideration or certiorari has expired, or (ii) such appeal or petition has been heard and dismissed or resolved and the time to further appeal or petition has expired with no further appeal or petition pending; or (b) a stipulation or other agreement entered into which has the effect of any such aforesaid order, judgment, ruling or other decree with like finality.

"Fraudulent Transfer Actions" means (a) any rights to recover money pursuant to Section 548 of the Bankruptcy Code, and (b) any rights to recover money pursuant to any state fraudulent transfer laws which the Debtor could have pursued pursuant to Section 544 of the Bankruptcy Code.

"Fraudulent Transfer Action Recoveries" means the proceeds of any Fraudulent Transfer Actions.

"Governmental Authority" means any agency, board, bureau, executive, court, commission, department, legislature, tribunal, instrumentality or administration of the United States, a foreign country or any state, or any provincial, territorial, municipal, state, local or other governmental Entity in the United States or a foreign country.

"Holder" means (a) as to any Claim, (i) the owner or holder of such Claim as such is reflected on the Proof of Claim filed with respect to such Claim, or (ii) if no Proof of Claim has been filed with respect to such Claim, the owner or holder of such Claim as shown on the Schedules or books and records of the Debtor or as otherwise determined by order of the Bankruptcy Court, or (iii) if the owner or holder of such Claim has transferred the Claim to a third party and advised the Debtor, as the case may be, in writing of such transfer and provided sufficient written evidence of such transfer, the transferee.

"Impaired Class" means a Class of Claims or Equity Interests that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

"Liabilities" means any and all liabilities, obligations (except for the Assumed Obligations), judgments, damages, charges, costs, Debts, and indebtedness of any and every kind and nature whatsoever, whether heretofore, now or hereafter owing, arising, due or payable, direct or indirect, absolute or contingent, liquidated or unliquidated, known or unknown, foreseen or unforeseen, in law, equity or otherwise, of or relating to the Debtor or any Affiliate, Subsidiary, predecessor, successor or assign thereof, or otherwise based in whole or in part upon any act or omission, transaction, event or other occurrence taking place prior to the Effective Date in any way relating to the Debtor or any Affiliate, Subsidiary, predecessor, successor or assign thereof, the Purchased Assets, any other assets of the Debtor, the business or operations of the Debtor, the

Reorganization Case, or the Plan, including any and all liabilities, obligations, judgments, damages, charges, costs, Debts, and indebtedness based in whole or in part upon any Claim of or relating to successor liability, transferee liability, or other similar theory; provided, however, that, when used in the Plan, the term "Liabilities" shall not include any obligation of the Reorganized Debtor expressly set forth in the Plan.

"Lien" means, with respect to any asset or Property, any mortgage, pledge, security interest, lien, right of first refusal, option or other right to acquire, assignment, charge, claim, easement, conditional sale agreement, title retention agreement, defect in title, or other encumbrance or hypothecation or restriction of any nature pertaining to or affecting such asset or Property, whether voluntary or involuntary and whether arising by law, contract or otherwise.

"Local Rules" means the Local Rules of the United States Bankruptcy Court for the Southern District of Florida, as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Reorganization Case.

"Permitted Encumbrances" means any Liens on the Property of the Reorganized Debtor expressly granted pursuant to the Confirmation Order.

"Person" means any person, individual, corporation, association, partnership, limited liability company, joint venture, trust, organization, business, government, governmental agency or political subdivision thereof, or any other entity or institution of any type whatsoever, including any "person" as such term is defined in Section 101(41) of the Bankruptcy Code.

"Petition Date" means May 25, 2016, the date on which IBT filed its Voluntary Petition under Chapter 11 of the Bankruptcy Code.

"Plan" means the Debtor's Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code dated as of May 3, 2017, including all Exhibits to the Plan, as the same may be further amended, supplemented, modified or amended and restated from time to time in accordance with the provisions of the Plan and the Bankruptcy Code.

"Post-petition" means arising or accruing on or after the Petition Date and before the Effective Date.

"Preference Action Recoveries" means the proceeds of any Preference Actions.

"Preference Actions" means any and all of the Debtor's or the Estates' avoidance actions and rights to recover transfers voidable or recoverable under Section 547 of the Bankruptcy Code against any Creditor or other third party.

"Pre-petition" means arising or accruing prior to the Petition Date.

"Priority Claim" means a Claim that is entitled to a priority in payment pursuant to subparagraphs (3) through (7) and (9) and (10) of Section 507(a) of the Bankruptcy Code and that is not an Administrative Claim, a Priority Tax Claim, a Secured Claim or an Unsecured Claim.

"Priority Tax Claim" means a Claim of a governmental unit that is entitled to a priority in payment pursuant to Section 507(a)(8) of the Bankruptcy Code and that is not an Administrative Claim, a Secured Claim or an Unsecured Claim.

"Pro Rata Share" means, with respect to any distribution under the Plan to the Holder of an Allowed Claim in a particular Class or otherwise, a fraction, the numerator of which shall be the amount of such Holder's Allowed Claim and the denominator of which shall be the sum of all Allowed Claims and all Reserved Claims in such Class and, if applicable, other Classes, all determined as of the applicable Distribution Date.

"Professional" means any professional employed in the Reorganization Case by an order of the Bankruptcy Court pursuant to Sections 327 or 1103 of the Bankruptcy Code.

"Proof of Claim" means a proof of claim filed with the Bankruptcy Court with respect to the Debtor pursuant to Bankruptcy Rules 3001, 3002 or 3003.

"Property" means any property or asset of any kind, whether real, personal or mixed, tangible or intangible, whether now existing or hereafter acquired or arising, and wherever located, and any interest of any kind therein.

"Rejected Contracts" has the meaning ascribed to such term in Article VIII of the Plan.

"Reorganized Debtor" means the Debtor on and after the Effective Date as reorganized pursuant to the Plan, including any successor thereto by merger, consolidation or otherwise.

"Reorganized IBT" means IBT on and after the Effective Date as reorganized pursuant to the Plan, including any successor thereto by merger, consolidation or otherwise.

"Reserved Claims" means all Disputed Claims as of the applicable determination date in the full amount listed in the Schedules, unless a Proof of Claim was timely filed with respect to such Claim, in which case in the face amount of such Proof of Claim, or unless such Claim has been estimated by the Bankruptcy Court for the purpose of allowance pursuant to Section 502(c) of the Bankruptcy Code, in which case in such estimated amount. Unless any order of the Bankruptcy Court estimating a Claim provides otherwise, the amount so estimated shall apply both for voting purposes and for purposes of computing Reserved Claims. As used in the Plan, the term "Reserved Claims" shall not include any Disallowed Claims.

"Schedules" means, collectively, the Schedules and Statements of Financial Affairs filed by the Debtor in the Reorganization Case pursuant to Bankruptcy Rule 1007, as such may heretofore or hereafter be amended or supplemented from time to time.

"Secured Claim" means any Claim that is (a) secured in whole or in part, as of the Petition Date, by a Lien which is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, or (b) subject to setoff under Section 553 of the Bankruptcy Code, but, with respect to both (a) and (b) above, only to the extent of the Estate's interest in the value of the Collateral securing any such Claim or the amount subject to setoff, as the case may be. If the value of a Creditor's interest in the Estate's interest in the Collateral securing such Claim or the amount subject to setoff is less than the amount of the Allowed Claim, then such deficiency shall constitute an Unsecured Claim.

"Secured Creditor" means any Creditor holding a Secured Claim.

"Superpriority Claim" means any Claim created by a Final Order of the Bankruptcy Court providing for a priority senior to that provided in Section 507(a)(1) of the Bankruptcy Code, including any such Claims granted under Sections 364(c)(1) and 365 of the Bankruptcy Code.

"Unimpaired Claim" means a Claim that is not impaired within the meaning of Section 1124 of the Bankruptcy Code.

"United States" means the United States of America.

"United States Trustee" means the Office of the United States Trustee for the Southern District of Florida.

"Unsecured Claim" means any Claim which is not an Administrative Claim, Priority Tax Claim, Priority Claim, Secured Claim, including (a) any Claim arising from the rejection of an executory contract or unexpired lease under Section 365 of the Bankruptcy Code, (b) any portion of a Claim to the extent the value of the Creditor's interest in the Estate's interest in the Collateral securing such Claim is less than the amount of the Allowed Claim, or to the extent that the amount of the Claim subject to setoff is less than the amount of the Allowed Claim, as determined pursuant to Section 506(a) of the Bankruptcy Code, (c) any Claim arising from the provision of goods or services to the Debtor prior to the Petition Date, and (d) any Claim designated as an Unsecured Claim elsewhere in the Plan.

"Unsecured Creditor" means any Creditor holding an Unsecured Claim.

"Voting Instructions" means the instructions for voting on the Plan contained in the Ballot and in the section of the Disclosure Statement entitled "Voting Instructions."

2.1.2 Any capitalized term used in the Plan that is not defined in the Plan but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be (with the Bankruptcy Code or the Bankruptcy Rules, as the case may be, controlling in the case of a conflict or ambiguity).

2.1.3 **Rules of Construction.**

For purposes of the Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such contract, instrument, release, indenture or other agreement or document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or Exhibit means such document or Exhibit as it may have been or may be amended, modified or supplemented; (d) if the Plan's description of the terms of an Exhibit is inconsistent with the terms of the Exhibit, the terms of the Exhibit shall control; (e) unless otherwise specified, all references in the Plan to Articles and Exhibits are references to Articles and Exhibits of or to the Plan; (f) unless the context requires otherwise, the words "herein," "hereunder" and "hereto" refer to the Plan in its entirety rather than to a particular Article or section or subsection of the Plan; (g) any phrase containing the term "include" or "including" shall mean including without limitation; (h) all of the Exhibits referred to in the Plan shall be deemed incorporated herein by such reference and made a part hereof for all purposes; and (i) the rules of construction set forth in Section 102 of the Bankruptcy Code shall apply in the construction of the Plan, to the extent such rules are not inconsistent with any other provision in this Article 2.2.

ARTICLE III
CLASSIFICATION OF CLAIMS AND INTERESTS

- 3.1 Class 1 allowed secured claim of Bridgeport Capital Funding LLC
- 3.2 Class 2 allowed secured claim of Gateway Trade Funding Co. 2 LLC
- 3.3 Class 3 allowed secured claim of Great Knives Manufacture 6 Ltd.
- 3.4 Class 4 secured claim of Hardy Haenisch
- 3.5 Class 5 secured claim of OTX Logistics Inc.
- 3.6 Class 6 allowed claims of Unsecured Creditors who do not elect Class 7 Treatment
- 3.7 Class 7 allowed claims of Unsecured Creditors who elect to be treated pursuant to section 5.7 of the Plan.
- 3.8 Class 8 Equity Holders

ARTICLE IV
TREATMENT OF SUPERPRIORITY CLAIMS, ADMINISTRATIVE EXPENSE
CLAIMS, U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

4.01 Unclassified Claims. Under section § 1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

4.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor. Specifically, the Debtor's product supplier Great Wall has agreed to treatment and payment on its claim in the ongoing ordinary course of business and without full payment on the Effective Date. Bridgeport Capital Funding, LLC shall be treated in accordance with *Final Order Authorizing Use of Cash Collateral and Granting Adequate Protection* [D.E. 191]. The Debtor disputes the administrative claim of Robert Bosch Tool Company on numerous grounds and the parties are mediating and attempting to resolve that dispute; however, absent agreement of the parties or order of the Court, the Debtor shall reserve for the post-petition amounts of Robert Bosch Tool Company as set forth in connection with the *Order Granting Debtor's Motion to Assume Master Trademark License Agreement With Robert Bosch Tool Corp.* [D.E. 135].

4.03 Priority Tax Claims. The holders, if any, of Allowed Priority Tax Claims under Section 507(a)(8) of the Bankruptcy Code shall be paid 100% of the Allowed amount of the Claims in deferred cash payments on a monthly basis beginning on the later of: (i) the Effective Date; or (ii) within ten (10) days after the date such Claim is Allowed and continuing over a period not to exceed six (6) years after assessment of such Claim of a value as of the Effective Date equal to the Allowed amount of such claim together with interest at a Prime Rate as published daily in the Wall Street Journal. To the extent the Debtor has not paid such claims the Debtor reserves the right to treat as follows: the claims shall receive deferred cash payments equivalent to the present value of their claims, as of the Effective Date of the Plan. The claims will be paid in full pursuant to the time period permitted under the Code and in quarterly installments commencing on the Effective Date, together with interest as the United States Prime Rate as listed in the Eastern print edition of the Wall Street Journal on the Effective Date.

4.04 United States Trustee Fees. Notwithstanding any other provisions of the Plan to the contrary, the Debtor shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), within ten (10) days of the entry of the order confirming the Plan, for pre-confirmation periods and simultaneously file all the monthly operating reports for the relevant periods, indicating the cash disbursements for the relevant period. The Debtor, as Reorganized Debtor, shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), based upon all post-confirmation disbursements made by the Reorganized Debtor, until the earlier of the closing of this case by the issuance of a Final Decree by the Bankruptcy Court, or upon the entry of an Order by the Bankruptcy Court dismissing this case or converting this case to another chapter under the United States Bankruptcy Code, and the

Reorganized Debtor shall provide to the United States Trustee upon the payment of each post-confirmation reports, and subsequently filed with the Court, quarterly post-confirmation reports for the relevant periods, indicating the cash disbursements for the relevant period.

ARTICLE V
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

5.01 Claims and interests shall be treated as follows under this Plan:

5.1 The Class 1 allowed secured claim of Bridgeport Capital Funding LLC is UNIMPAIRED. The pre-petition claim of Bridgeport Capital Funding LLC (“BCF”) has been paid in full during the pendency of the case and the ongoing operation of the factoring agreement, including as set forth in *FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION TO BRIDGEPORT CAPITAL FUNDING, LLC, NUNC PRO TUNC TO OCTOBER 5, 2016 AND OTHER RELIEF* [D.E. 191]. Pursuant to such order, the Debtor shall repay the balance due on the Additional Factor Advance and any other indebtedness owed in the IBT Over Advance Account according to the following payment schedule:

(i) BCF shall be entitled and authorized to withhold an additional five (5%) percent from the Factoring Formula Amount on each new post-petition Receivable factored hereunder and pursuant to the Factoring Agreements and Final Factoring Order for a total factor advance of seventy-one (71%) percent (the “Factoring Discount”) to the Debtor; and

(ii) BCF shall be entitled and authorized to retain and apply the Factoring Discount to the pay down the IBT Over Advance Account until such time as the Additional Factor Advance is paid and satisfied in full; and

(iii) BCF shall be entitled and authorized to retain in the Reserve Account a minimum amount of Twenty Thousand (\$20,000) Dollars per month and maximum amount of One Hundred and Ten Thousand (\$110,000) Dollars per month toward the IBT Over Advance Account in addition to any other Reserves necessary to maintain the Debtor within formula under the Factoring Agreements; and

(iv) BCF shall also be entitled and authorized to charge and collect as part of the IBT Over Advance Account an inception fee and monthly charges of 1.65% on the Additional Factor Advance, which amounts shall be added to the IBT Over Advance Account, until paid and satisfied in full.

5.2 The IMPAIRED Class 2 allowed secured claim of Gateway Trade Funding Co. 2 LLC has been settled pursuant to the *Order Granting Motion to Compromise Controversy* [D.E. 174] and shall be paid in accordance therewith. Specifically, the balance of \$101,727.90 was amortized over a 12 month period with interest of 5% per annum. Iron Bridge shall make a total

of 12 monthly payments of \$8,708.67 beginning December 15, 2016. As of the filing of the Plan, 8 payments remain to be paid.

5.3 The IMPAIRED Class 3 allowed secured claim of Great Knives Manufacture 6 Ltd. is disputed in so far as the Debtor in Possession does not believe that there is any collateral of value securing the claim and any lien is fully subordinate to existing liens. To the extent that any amount of the claim of Great Knives Manufacture 6 Ltd. is deemed secured, then the extent of such secured claim shall be fully amortized over a period of 7 years at an interest rate of 4.5% with equal quarterly payments. Any remaining Unsecured Claim of Great Knives Manufacture 6, Ltd. shall be treated in Class 6.

5.4 The Class 4 secured claim of Hardy Haenisch. The secured claim of Hardy Haenisch is disputed in so far as the Debtor in Possession does not believe that there is any collateral of value securing the claim and any such lien is otherwise fully subordinate to existing liens. Hardy Haenisch did not file a proof of claim. To the extent of the value, pursuant to §506, of any lien securing such claim payment in full satisfaction of such lien shall be fully amortized over a period of 7 years at an interest rate of 4.5% with equal quarterly payments. The Debtor reserves the alternative right and the option to surrender any collateral securing the Hardy Haenisch secured claim in satisfaction of the secured claim of Hardy Haenisch.

5.5 The Class 5 secured claim of OTX Logistics Inc. (“OTX”) is secured by inventory of the Debtor in possession of OTX. OTX did not file a proof of claim and accordingly shall be treated in accordance with its in rem lien rights. OTX shall retain its pre-petition lien and such lien and the value of collateral securing the OTX lien shall be satisfied by the payment of \$10,000 per month, beginning on the 15th of the month following the 60th day after the Effective Date and on the 15th of each month thereafter, during the first two years following the Effective Date and increasing to \$15,000 per month on the 15th of the month following the two year anniversary of the Effective Date and continuing until the value of the OTX lien on the Effective Date has been paid in full. The Debtor reserves the right and the option to surrender the collateral securing the OTX secured claim in satisfaction of the secured claim of OTX.

5.6 The IMPAIRED Class 6 allowed claims of Unsecured Creditors consists of Unsecured Claims who do not elect the treatment in Class 7 (section 5.7). As of the time the Debtor filed the initial Disclosure Statement, based on a review of the Debtor’s Schedules and the Proofs of Claims that had been filed, the Debtor estimates that the total potential unsecured claims without objection or reduction totals less than 8,000,000. The Debtor in Possession contends that this class will be further reduced by the claims objection process. The Debtor is still in the process of finalizing its objections to Claims.

Except to the extent that the holder of an Allowed Claim within Class 6 has been paid prior to the Effective Date or agrees to a less favorable treatment, holders of Allowed Class 6 Claims shall receive treatment on account of their Allowed Class 6 Claims in full satisfaction, settlement and release of their respective Allowed Claims, shall receive payment in an amount equal to the greater of: (i) \$1,000; or (ii) a pro rata share of the Discounted Fund made available

for distribution solely to holders of Allowed Class 6 Claims, but in no event to exceed 25%. The Reorganized Debtor shall make distributions to holders of Class 6 Claims upon the later of: (i) one year following the Effective Date; or (ii) the allowance of a Class 6 Claim. The Reorganized Debtor shall reserve the greater of: (i) \$1,000; or (ii) pro rata share of the Discounted Fund that any holder of a Disputed Class 6 Claim would be entitled to receive in the event their Disputed Class 6 Claim was allowed in full. Any amounts remaining in the Discounted Fund after reconciliation and adjudication of all Disputed Claims shall be distributed first pro rata to holders of Allowed Class 6 Claims until such time as they receive their allowed pro rata share or 25%. The Debtor's shareholder and Principal Glenn Robinson shall be jointly liable for payment of \$600,000 of the \$1,360,000 Discounted Fund as specified and further set forth in this Plan.

IN THE EVENT THE HOLDER OF AN ALLOWED UNSECURED CLAIM FAILS TO MAKE AN ELECTION ON THE BALLOT AND FILE SAME BALLOT WITH THE COURT BY THE BALLOT DEADLINE, THE CLAIMHOLDER WILL AUTOMATICALLY RECEIVE THE TREATMENT IN CLASS 6.

The Class 6 Claims are Impaired and the holders of Allowed Class 6 Claims are entitled to vote to accept or reject the Plan

5.7 The IMPAIRED Class 7 allowed claims of Unsecured Creditors consists of Unsecured Claims elect to be treated in Class 7. As of the time the Debtor filed the initial Disclosure Statement, based on a review of the Debtor's Schedules and the Proofs of Claims that had been filed, the Debtor estimates that the total potential unsecured claims without objection or reduction totals less than 8,000,000. The Debtor in Possession contends that this class will be further reduced by the claims objection process. The Debtor is still in the process of finalizing its objections to Claims.

Allowed unsecured claims that affirmatively elect to be in Class 7, except to the extent that the holder of a Claim has been paid prior to the Effective Date, or agrees to a different less favorable treatment, in full satisfaction, settlement and release of their respective Allowed Claims, shall be paid, by the Reorganized Debtor out of monthly Cash generated from the operation of the Reorganized Debtor, 70% of their respective Allowed Claims, over a period of ten (10) years from the Effective Date in 41 quarterly payments as follows: (i) the first 24 equal quarterly payments aggregating the lesser of 30% of the Allowed Claim or \$90,000 per quarter; (ii) the next 16 quarterly payments aggregating the lesser of 40% of the Allowed Claim or \$115,000 per quarter and (iii) and the last quarterly payment in any remaining amount of the distribution to equal a total distribution of 70% of the Allowed Claim. Said payments shall commence within ninety (90) days of the Effective Date (the "Final Distribution Date"), the Reorganized Debtor must satisfy any remaining amounts due under the plan to holders of Allowed Class 7 Claims through the payment of the Reorganized Debtor's Cash, or in the alternative, through obtaining financing prior to the Final Distribution Date in an amount equal to the remaining distribution to Allowed Claims the Reorganized Debtor must pay on the Final Distribution Date.

The Class 7 Claims are Impaired and the holders of Allowed Class 7 Claims are entitled to vote to accept or reject the Plan.

A copy of the form Ballot is attached to the Disclosure Statement as **Exhibit “2”**.

5.8 The Class 8 Equity Holders consists of the Allowed Equity Interests, held by the owner of the Debtor. Upon the funding of the Discounted Fund, Holders of Allowed Equity Interests shall be issued shares in the Reorganized Debtor in complete satisfaction of their Allowed Equity Interests in the Debtor. The Class 8 Interests are Impaired, but the Class 8 Equity holders are deemed insiders and shall be deemed to have accepted the plan. To the extent that a Class 8 Equity holder has a pre-petition claim, whether unsecured, secured, or priority, then such claim shall be subordinated and shall not be paid until distribution has been made on account of the Discounted Fund to Class 6 creditors.

ARTICLE VI **ACCEPTANCE OR REJECTION OF THE PLAN**

6.01 Each Impaired Class Entitled to Vote Separately.

The Holders of Claims in each Impaired Class of Claims shall be entitled to vote separately to accept or reject the Plan.

6.02 Acceptance by Impaired Classes.

Pursuant to Section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if (a) the Holders (other than any Holder designated pursuant to Section 1126(e) of the Bankruptcy Code) of at least two-thirds in dollar amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other than any Holder designated pursuant to Section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. If a Holder of a Claim holds more than one Claim in any one Class, all Claims of such Holder in such Class shall be aggregated and deemed to be one Claim for purposes of determining the number of Claims in such Class voting on the Plan. Pursuant to Section 1126(d) of the Bankruptcy Code, an Impaired Class of Equity Interests shall have accepted the Plan if the Holders (other than any Holder designated pursuant to Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Equity Interests actually voting in such Class have voted to accept the Plan. A creditor who's Claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

6.03 Presumed Acceptance of Plan.

Class 1 is unimpaired under the Plan. Under Section 1126(f) of the Bankruptcy Code, each such Class and Holders of Claims in such Classes are conclusively presumed to have accepted the

Plan and, thus, are not entitled to vote on the Plan. Accordingly, votes of Holders of Claims in such Classes are not being solicited by the Debtor. Except as otherwise expressly provided in the Plan, nothing contained herein or otherwise shall affect the rights and legal and equitable claims or defense of the Debtor, the Reorganized Debtor in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to setoffs or recoupment against Unimpaired Claims.

ARTICLE VII **ALLOWANCE AND DISALLOWANCE OF CLAIMS**

7.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

7.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order. The Debtor will reserve the full amount of the distribution on account of any Disputed Claim or such amount allowed by the Court pursuant to 11 U.S.C. § 502(c), and will distribute any such reserved amounts along with the next quarterly plan payment after the claim becomes an Allowed Claim in an amount equal to the pro rata distribution of on account of the Allowed Claim pursuant to the Plan and with any remaining reserved funds distributed pro rata to other creditors of equal class and priority.

7.03 Settlement of Disputed Claims. Following confirmation, the Debtor will have the sole power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

7.04 Deadline to Object to Claims. The Deadline to object to claims shall be on or before the final confirmation hearing or some other date as established by order of the Bankruptcy Court.

ARTICLE VIII **PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

8.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor has rejected the lease of Ivy Quorum Property, LLC during the pendency of the case pursuant *Agreed Order on Rejection of Lease of Creditor Ivy Quorum Property LLC and Payment of Administrative Rent* [D.E. 147] and as amended [D.E. 159].

(b) To the extent not already rejected by stipulation or order, the Debtor expressly rejects the lease of Porche Financial Services, Inc. as lessor, and IBT, as lessee, entered into for a 2015 Bentley Flying Spur V8 vehicle (VIN: SCBET9ZA5F8046997) and surrendered and abandoned the property subject to such lease.

(c) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed on, or before the date of the order confirming this Plan, upon the Effective Date. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than fourteen (14) days after the date of the order confirming this Plan, and shall be treated in connection with Class 6 of the Plan.

ARTICLE IX **MEANS FOR IMPLEMENTATION OF THE PLAN**

10.1.1 Funding from Debtor's Business Operations. Payments and distributions under the Plan will be funded by the Debtor's current and ongoing business operations which are sufficient to meet the obligations under this Plan. Financial projections and analysis are described in further detail in the Disclosure Statement filed with the Court and circulated in connection with this Plan as well as the exhibits affixed thereto.

10.1.2 Funding of the Discounted Fund. Pursuant to Article 5 of this Plan, a cash payment amount of \$1,360,000 shall be deposited and distributed for distribution by the Reorganized Debtor to Class 6 creditors who have elected to receive a pro-rata discounted distribution pursuant to Section 5.6 of this plan. Along with other consideration, including but not limited to claim subordination and relinquishment of partial equity in the Debtor, and in exchange for the releases, retention of equity and contribution to the Plan, the Debtor's principal and pre-petition shareholder shall be jointly and severally liable for the payment of \$600,000 this Discounted Fund pursuant to this Plan. In all events \$200,000 of the Discounted Fund shall be paid by, borrowed by, or otherwise paid for the benefit of Glenn Robinson.

ARTICLE X **DISTRIBUTIONS**

10.1.3 Place and Manner of Payments or Distributions. Distributions shall be delivered by either (i) mail to the address as listed in the Schedules of Assets and Liabilities, or listed on any proof of claim filed by a claimant, or (ii) to such other address that such claimant shall have specified for payment purposes in a written notice to Debtor.

10.2 Undeliverable Distributions. If a distribution to any claimant is returned as undeliverable, the Debtor shall use reasonable efforts to determine such claimant's current address, and no further distributions shall be made to such Claimant unless and until the Debtor is notified of such Claimant's current address.

10.3 Treatment of Unclaimed or Undeliverable Distributions. If any claimant entitled to distributions from the Plan cannot be located prior to the Effective Date, then, such distribution shall be held by the Debtor for a period of thirty days while the provisions of Article 10 are implemented, after which time any such distribution shall be paid pro-rata to other members of equal class and priority until full treatment has been paid in such class.

ARTICLE XI **GENERAL PROVISIONS**

11.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the definitions set forth above in paragraph 2.1.

11.02 Effective Date. The effective date of this Plan is the 30th day following the deadline for a party in interest to file an appeal of the confirmation order. Unless expressly ordered by a court of competent jurisdiction an appeal shall not act as a stay of the confirmation order, the effective date, or consummation of the Plan. If a stay of the confirmation order is in effect on the effective date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

11.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

11.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

11.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

11.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Florida govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

11.07 Notices. Whenever the Plan requires notice to be given, such notice shall be given to the following parties by regular U.S. mail and email at their respective addresses unless a prior notice of change of address has been served indicating a new address:

Debtor
Craig A. Pugatch, Rice Pugatch Robinson Storfer & Cohen, PLLC
101 NE 3 Ave, Suite 1800

Fort Lauderdale, FL 33301
Facsimile: (954) 462-4300
Email: capugatch@rprslaw.com

and

Iron Bridge Tools, Inc.
Attn: Glenn Robinson, President
6820 LYONS TECHNOLOGY CIRCLE, STE. 250
COCONUT CREEK, FL 33073
Email: glenn@ironbridgetools.com

11.08 Dates. The provisions of Bankruptcy Rule 9006 shall govern the calculation of any dates or deadlines referenced in the Plan.

11.09 Further Action. Nothing contained in the Plan shall prevent Debtor from taking such actions as may be necessary to consummate the Plan, even though such actions may not specifically be provided for within the Plan.

11.10 Attachments. All attachments to the Plan are incorporated herein by reference and are intended to be an integral part of this document as though fully set forth in the Plan. All exhibits to the Plan shall be filed with the Bankruptcy Court no later than five (5) days before the Confirmation Date.

11.11 Plan Amendments. Before the Confirmation Date, the Plan Proponent may modify, amend or withdraw the Plan, without approval of the Bankruptcy Court. After the Confirmation Date, the Proponent or any disbursing agent may, subject to Bankruptcy Court approval and so long as it does not materially or adversely affect the rights set forth in the Plan of creditors and other parties in interest, amend or modify the Plan to remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order, in such manner that may be necessary to carry out the purposes and intent of the Plan.

11.12 Binding Effect. Upon occurrence of the Effective Date, the Plan shall be binding on, and inure to the benefit of the Debtor, the estates, the Claim holders and Interest holders, and their respective successors and assigns, regardless of whether those parties voted to accept the Plan.

11.13 Governing Law. Except to the extent that the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without giving effect to any conflicts of law principles.

11.14 Voting Securities. All of the Debtor's securities are voting securities.

ARTICLE XII DISCHARGE

12.01 DISCHARGE. Except as otherwise provided in this Plan, on the Effective Date the Reorganized Debtor shall be discharged, pursuant to Section 1141(d)(1) of the Bankruptcy Code, from all Claims and debt that arose before the Effective Date of this Plan from any liability of any kind whether or not: (a) a Proof of the Claim is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) such Claim is Allowed under Section 502 of the Bankruptcy Code; or (c) the holder of such Claim has accepted the Plan.

On the Effective Date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the Effective Date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the Effective Date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

On the Effective Date as to every discharged debt and Claim, the Creditor that held such debt or Claim shall be permanently barred from asserting against the Reorganized Debtor, or against the Reorganized Debtor's assets or properties, any further or other Claim based upon any document, instrument or act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date. Except as otherwise specifically provided herein, nothing in this Plan shall be deemed to waive, limit or restrict in any way the discharge granted upon Confirmation of the Plan pursuant to § 1141 of the Code and effective as of the Effective Date.

12.02 INJUNCTIONS. As of the Effective Date, all persons who have held, hold or may hold Claims, or who have held, hold, or may hold Interests, shall be enjoined from taking any of the following actions against the Reorganized Debtor, the Debtor's estate, the assets or properties of the Reorganized Debtor (other than actions brought to enforce any rights or obligations under the Plan or appeals, if any, from the Confirmation Order) (i) commencing, conducting, continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Reorganized Debtor, the Debtor's estate or the assets or properties of the Reorganized Debtor, including the stock of the Reorganized Debtor, or any direct or indirect successor in interest to the Reorganized Debtor, or any assets or properties of any such transferee or successor; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means whether directly or indirectly any judgment, award, decree or order against the Reorganized Debtor or the Debtor's estate,

including the stock of the Reorganized Debtor, or the assets or properties of the Reorganized Debtor or the Debtor's estate or any direct or indirect successor in interest to any of the Reorganized Debtor, or any assets or properties of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Reorganized Debtor or the Debtor's estate or the assets or properties of the Reorganized Debtor or the Debtor's estate or any direct or indirect successor in interest to the Reorganized Debtor, or any assets or properties of any such transferee or successor other than as contemplated by the Plan; (iv) asserting any set off, right of subrogation or recoupment of any kind, directly or indirectly against any obligation due the Reorganized Debtor of the Debtor's estate or the assets or property of the Reorganized Debtor, or any direct or indirect transferee of any assets or property of, or successor in interest to, the Reorganized Debtor; and (v) proceeding in any manner in any place whatsoever that does not conform or comply with the provisions of the Plan.

To the extent that the Debtor's officers, directors, managers, members, shareholders, former shareholders, or insiders are jointly liable to a creditor with respect to a claim against the Debtor (such parties shall include specifically Glenn Robinson, and collectively referred to as "Co-Debtors" and such claims shall be referred to as "Co-Debtor Claim(s)"), then the holder of such claim shall, until such time as any payments or Distributions provided for in the Plan on account of such Co-Debtor Claim are completed, unless expressly provided by agreement approved and incorporated as treatment under this Plan, be enjoined from taking any of the following actions against the Co-Debtors, the assets or properties of the Co-Debtors (other than actions brought to enforce any rights or obligations under the Plan or appeals, if any, from the Confirmation Order) (i) commencing, conducting, continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Co-Debtors, or the assets or properties of the Co-Debtors, or any direct or indirect successor in interest to the Co-Debtors, or any assets or properties of any such transferee or successor; (ii) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means whether directly or indirectly any judgment, award, decree or order against the Co-Debtors, or the assets or properties of the Co-Debtors or any direct or indirect successor in interest to any of the Co-Debtors, or any assets or properties of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Co-Debtors or the assets or properties of the Co-Debtors or any direct or indirect successor in interest to the Co-Debtors, or any assets or properties of any such transferee or successor other than as contemplated by the Plan; (iv) asserting any set off, right of subrogation or recoupment of any kind, directly or indirectly against any obligation due the Co-Debtors or the assets or property of the Co-Debtors, or any direct or indirect transferee of any assets or property of, or successor in interest to, the Co-Debtors; and (v) proceeding in any manner in any place whatsoever that does not conform or comply with the provisions of the Plan. The above injunction with respect to a Co-Debtor claim injunction shall terminate on the earlier of the completion of any payments or Distributions to be made under this Plan on account of such Co-Debtor

Claim.

12.03 EXCULPATION. Except as otherwise provided in this Plan, Debtor in Possession, its officers, directors, employees, representatives, advisors, attorneys, financial advisors, or agents, or any of such parties' successors and assigns ("Released Parties"), shall not have or incur, and are hereby released from, any claim, obligation, cause of action or liability to one another or to any Holder of a Claim or an Interest, or any other party in interest, or any of its respective officers, directors, members, employees, representatives, advisors, attorneys, financial advisors, agents, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the pursuit of Confirmation of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, except for their willful misconduct or gross negligence, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under this Plan. The claims of the Released Parties shall remain the liability of the Reorganized Debtor, nothing in this Plan releases or discharges the Released Parties claims against the Reorganized Debtor, and the Released Parties are expressly authorized to seek or otherwise agree to payment from the Reorganized Debtor. This waiver is necessary to confirm the Plan meeting the financial requirements of § 1129. Moreover, such parties have contributed funds and services to the estate which are necessary to obtain confirmation and to permit the continued operations of the Debtor and Reorganized Debtor and preserving the assets and facilitate treatment being provided under the Plan. As noted above such claims are being subordinated, if paid at all. Further, such parties are necessary to the operation of the Reorganized Debtor and its ability to make payments. Such waiver will avoid any indemnity requirements by the Debtor.

12.04 RELEASE AND COMPROMISE OF CLAIMS OF THE DEBTOR AND THE ESTATE. Class 7 Equity Holders have subordinated and recast their pre-petition claims. In addition, Glenn Robinson has agreed to be jointly and severally liable for the payment of \$600,000 of the Discounted Fund and that \$200,000 of the Discounted Fund shall be paid by, borrowed by, or otherwise paid for the benefit and on account of Glenn Robinson. The Debtor does not have sufficient funds to otherwise Fund the Discounted Fund. Moreover, such parties have contributed funds and services to the estate which are necessary to obtain confirmation and to permit the continued operations of the Debtor and Reorganized Debtor and preserving the assets and facilitate treatment being provided under the Plan. In exchange for the foregoing and as a material and necessary condition of confirmation, the estate, the Debtor, the Debtor-in-Possession, the Reorganized Debtor, and any representative, successor, or party acting in the capacity of any of the foregoing, including all present and past employees, agents, representatives, officers, directors, members, managers, subsidiaries, parents and affiliates, successors, representatives, as well as any and all successors and assigns of the foregoing, release Glenn Robinson and Lisa Robinson of and from all manner of actions, claims, causes of action, suits, obligations,

liabilities, damages, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, expenses, compensation, attorneys' fees, court costs and other costs, judgments, executions, demands and every other claim of any kind, either at law or in equity, either direct or indirect, secondary or primary, including any derivative claims that could be asserted by any constituent, including all consequences thereof, regardless of whether such claims are known or unknown, foreseen or unforeseen, in existence currently or inchoate and not yet accrued, which any party may have had, now has, hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of these presents including but not limited to claims under Chapter 5 of Title 11 of the US Code, and claims arising in, arising under, and related to the Bankruptcy Code, this Bankruptcy Case, and whether arising pre-petition or post-petition which have accrued, or the basis of which arises from conduct occurring from, the beginning of time until the Confirmation of the Plan of Reorganization.

ARTICLE XIII **SUBSTANTIAL CONSUMMATION**

13.1 Substantial Consummation. The Plan shall be deemed substantially consummated immediately on the completion of all material actions required to be undertaken at the Effective Date.

13.2 Notice of Effective Date. Promptly after occurrence of the Effective Date, Debtor shall file with the clerk of the Bankruptcy Court a notice that the Plan has become effective; *provided, however*, that the failure to file such notice shall not affect the effectiveness of the Plan or the rights or substances obligations of any entity hereunder.

13.3 Final Decree. After the Effective Date, the Debtor may move for a final decree closing the case and requesting such other orders as may be necessary and appropriate.

ARTICLE XIV **POST CONFIRMATION JURISDICTION**

14.1 The Bankruptcy Court, even after the case has been closed, shall have jurisdiction to the fullest extent of the law over all matters arising under, arising in, or relating to Debtor's Chapter 11 case, including proceedings to:

- a. Ensure the consummation and implementation of the Plan;

- b. Enter such orders as may be necessary or appropriate to implement, consummate, or enforce the provisions of the Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan or the Disclosure Statement;
- c. Consider any modification of the Plan under Section 1127 of the Bankruptcy Code;
- d. Hear and determine all Claims, controversies, suits and disputes against estate to the extent permitted under 28 U.S.C. § 1334;
- e. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any and all objections to the allowance or priority of Claims;
- f. Hear, determine, and adjudicate any litigation involving the Litigation Claims or other claims or causes of action constituting Property;
- g. Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the estate that may be pending on or commenced after the Effective Date;
- h. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any entity's obligations incurred in connection with the Plan, or any other agreements governing, instruments evidencing, or documents relating to any of the foregoing, including the interpretation or enforcement of any rights, remedies, or obligations under any of the foregoing;
- i. Hear and determine all controversies, suits, and disputes that may arise out of or in connection with the enforcement of any and all subordination and similar agreements among various creditors pursuant to Section 510 of the Bankruptcy Code;
- j. Hear and determine all requests for compensation and/or reimbursement of expenses that may be made for fees and expenses incurred before the Effective Date;
- k. Enforce any Final Order, the Confirmation Order, the final decree, and all injunctions contained in those orders;
- l. Enter an order concluding and terminating this case;
- m. Correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order;
- n. Determine all questions and disputes regarding title to the Property;

o. Classify the Claims of any Claim holders and the treatment of these Claims under the Plan, to re-examine Claims that may have been allowed for purposes of voting, and to determine objections that may be filed to any Claims;

p. Take any action described in the Plan involving the post-confirmation Debtor, sale of Property, or the Disbursing Agent;

q. Enter a final decree in Debtor's case as contemplated by Bankruptcy Rule 3022;

r. Enforce, by injunction or otherwise, the provisions set forth in the Plan, the Confirmation Order, any final decree, and any Final Order that provides for the adjudication of any issue by the Bankruptcy Court; and

s. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated.

14.2 If the Bankruptcy Court abstains, exercises discretion, or is otherwise precluded from hearing any matter within the scope of its jurisdiction, nothing in the Plan shall prohibit or limit the exercise of jurisdiction by any other tribunal of competent jurisdiction.

ARTICLE XV

RESERVATION OF RIGHTS UNDER BANKRUPTCY CODE 11 U.S.C. § 1129(b)

15.01 The Debtor expressly reserves its right, pursuant to Bankruptcy Code Section 1129(b), to request the Court confirm the Plan (under what is commonly referred to as the "Cram Down" provisions of the Bankruptcy Code) if all of the applicable requirements of Bankruptcy Code Section 1129(a) have been met, other than Bankruptcy Code Section 1129(a)(8). Section 1129(b) of the Bankruptcy Code provides that this Plan may be confirmed by the Bankruptcy Court despite not being accepted by every impaired Class of Creditors if: (i) as least one impaired Class of Creditors has voted to accept the Plan; and (ii) the Bankruptcy Court finds that the Plan does not discriminate unfairly and is fair and equitable to the rejecting Classes.

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF FLORIDA
 FT. LAUDERDALE DIVISION
www.flsb.uscourts.gov

In re:

Case No. 16-17505-RBR

IRON BRIDGE TOOLS, INC.,

Chapter 11

Debtor.

BALLOT AND DEADLINE FOR FILING BALLOT ACCEPTING OR REJECTING PLAN

TO HAVE YOUR VOTE COUNT YOU MUST COMPLETE AND RETURN THIS BALLOT BY THE DEADLINE INDICATED BELOW [AS SET PURSUANT TO LOCAL RULE 3018-1(B)]

The Plan filed by Iron Bridge Tools, Inc. on can be confirmed by the court and thereby made binding on you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class and the holders of two-thirds in amount of equity security interests in each class voting on the Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the plan if the court finds that the plan accords fair and equitable treatment to the class rejecting it.

This ballot is for creditor (insert name) _____ for the following type of claim placed in the indicated class in the indicated amount:

CLASS - Priority	CLAIMANT	AMOUNT OF CLAIM
Class 1 - Secured	Bridgeport Capital Funding LLC	\$
Class 2 – Secured	Gateway Trade Funding Co. 2 LLC	\$
Class 3 – Secured	Great Knives Manufacture 6 Ltd.	\$
Class 4 – Secured	Hardy Haenisch	\$
Class 5 – Secured	OTX Logistics, Inc.	\$
Class 6 – Unsecured	General Unsecured Creditors	\$
Class 7 – Unsecured	Elective Class of General Unsecured Creditors	\$
Class 8 – Equity	Shareholders	\$

If you are the holder of an **Allowed General Unsecured Claim** (including undersecured claims), pursuant to Section 5 of the Plan, please elect whether you wish to receive treatment under the Plan in Class 6 or Class 7 by **placing an X to the left of either Class 6 or Class 7 below:**

- **___ Class 6 Election** - Allowed Class 6 Claims shall receive payment in an amount equal to the greater of: (i) a pro rata share of the Discounted Fund made available for distribution solely to holders of Allowed Class 6 Claims, but in no event to exceed 25% or (ii) \$1,000 (if greater). The Reorganized Debtor shall make distributions to holders of Class 6 Claims upon the later of: (i) one year following the Effective Date; or (ii) the allowance of a disputed Class 6 Claim.
- **___ Class 7 Election** – Allowed Class 7 Claims shall be paid, by the Reorganized Debtor out of monthly Cash generated from the operation of the Reorganized Debtor, 70% of their respective Allowed Claims, over a period of ten (10) years from the Effective Date in 41 quarterly payments as follows: (i) the first 24 equal quarterly payments aggregating the lesser of 30% of the Allowed Claim or \$90,000 per quarter; (ii) the next 16 quarterly payments aggregating the lesser of 40% of the Allowed Claim or \$35,000 per quarter and (iii) and the last quarterly payment in any remaining amount of the distribution to equal a total distribution of 70% of the Allowed Claim. Said payments shall commence within ninety (90) days of the Effective Date (the “Final Distribution Date”), the Reorganized Debtor must satisfy any remaining amounts due under the plan to holders of Allowed Class 7 Claims through the payment of the Reorganized Debtor’s Cash, or in the alternative, through obtaining financing prior to the Final Distribution Date in an amount equal to the remaining distribution to Allowed Class 7 Claims.

IN THE EVENT THE HOLDER OF AN ALLOWED UNSECURED CLAIM FAILS TO MAKE AN ELECTION ON THE BALLOT AND FILE SAME BALLOT WITH THE COURT BY THE BALLOT DEADLINE, THE CLAIMHOLDER WILL RECEIVE THE TREATMENT IN CLASS 6.

The undersigned [Check One Box]

Accepts

Rejects

the plan for reorganization of the above-named debtor.

Signed: _____ Date: _____

Print Name: _____

Address: _____ Phone: _____

★★★FILE THIS BALLOT ON OR BEFORE _____★★★

with: Clerk of Bankruptcy Court

301 N. Miami Ave., Room 150, Miami, FL 33128

299 E. Broward Blvd., Room 112, Ft. Lauderdale, FL 33301

1515 North Flagler Drive, Room 801, West Palm Beach, FL 33401

If you have more than one type of claim against this debtor, separate ballots must be filed and you should receive a ballot for each type of claim eligible to vote. Contact the plan proponent regarding incorrect or insufficient ballot(s).

IRON BRIDGE TOOLS
Monthly Cash Flow Projections - 2017

Summary Cash Flow Data

MONTHLY CASH FLOW PROJECTIONS - 2017

CUSTOMER SALES

	Total January-17	Total February-17	Total March-17	Total April-17	Total May-17	Total June-17	Total July-17	Total August-17	Total September-17	Total October-17	Total November-17	Total December-17	12 MONTH FORECAST
TOTAL CUSTOMER SALES	\$218,823	\$137,077	\$175,204	\$332,269	\$539,259	\$625,749	\$249,390	\$1,748,000	\$1,471,539	\$1,810,000	\$667,115	\$186,000	\$ 8,160,426
CASH FLOW FROM OPERATIONS ("DISBURSEMENTS")	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FINANCE & MANUFACTURING CASH EXPENSE	(\$168,453)	(\$13,459)	(\$8,708)	(\$40,327)	(\$70,966)	(\$87,501)	(\$487,715)	(\$212,267)	(\$1,059,572)	(\$1,370,397)	(\$552,891)	(\$214,479)	\$ (4,286,735)
FREIGHT & DISTRIBUTION CASH EXPENSE	(\$49,653)	(\$6,153)	(\$38,783)	(\$16,545)	(\$36,436)	(\$51,266)	(\$29,055)	(\$27,165)	(\$74,705)	(\$77,510)	(\$33,032)	(\$32,426)	\$ (472,729)
OPERATING EXPENSES CASH EXPENSE	(\$185,886)	(\$124,622)	(\$104,646)	(\$108,187)	(\$243,868)	(\$177,202)	(\$128,197)	(\$133,740)	(\$160,966)	(\$229,858)	(\$139,858)	(\$206,972)	\$ (1,944,000)
PRODUCT DEVELOPMENT CASH EXPENSES	(\$93)	\$0	\$0	(\$500)	\$0	(\$1,190)	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,783)
TOTAL CASH FLOW FROM OPERATIONS ("DISBURSEMENTS")	(\$404,085)	(\$144,233)	(\$152,137)	(\$165,559)	(\$351,270)	(\$317,159)	(\$644,967)	(\$373,171)	(\$1,295,243)	(\$1,677,764)	(\$725,781)	(\$453,877)	(\$6,705,247)
CASH FLOW FROM FINANCE & INVESTMENT													
FACTORING & FINANCING													
TOTAL FINANCING & INVESTMENT CASH INFLOW	\$656,730	\$88,114	\$160,087	\$200,138	\$403,189	\$615,533	\$287,921	\$1,284,288	\$1,320,523	\$1,479,471	\$706,047	\$288,136	\$ 7,490,178
NET CASH INFLOW / OUTFLOW OPS & FINANCE (Daily)	\$252,645	(\$56,120)	\$7,951	\$34,579	\$51,919	\$298,374	(\$357,046)	\$911,116	\$25,279	(\$198,293)	(\$19,733)	(\$165,741)	\$784,931
ENDING DAILYRUNNING CASH BALANCE	\$63,338	\$10,508	\$18,459	\$56,307	\$108,226	\$406,600	\$49,554	\$960,671	\$985,950	\$787,657	\$767,924	\$602,182	\$ 602,182
<i>Ending Daily Change in Cash</i>													

